

# The Indonesian Quarterly

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- ☐ Securing Malacca Strait
- ☐ The Impact of Territorial Border Problems on Indonesia's Security

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- ☐ From Constitution to Koesmayadi:  
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The Prospects for Comprehensive Integration in Southeast Asia



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## ABSTRACTS

### RELIGIOUS CONFLICT IN MALUKU: THE ROLE OF CONFLICT ENTREPRENEURS

By *Philips J Vermonte*

Violent conflict between Moslems and Christians in Maluku had been occurring since 1999 and had claimed thousands of lives. This article identifies the push and pull factors that caused the violent conflict in that area. Conflict entrepreneurs in the Maluku conflict found that both printed and online media were useful in spreading their framed-messages. Conflict entrepreneurs formulated their own version of the bloody conflict, with regards to the chronology of particular incidents, photos of the brutality of their opponents, and also traumatic stories of atrocities by the other group. These then increased 'the emotional heat' that exacerbated the conflict. As a result, the conflict prolonged and became more devastating

### THE MEKONG RIVER: ASEAN AND ADB ROLES

By *Henry Sackler*

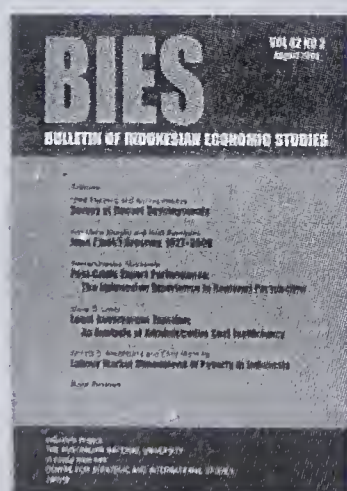
Regional institutions like the Asian Development Bank (ADB), and the Association for Southeast Asian Nations (ASEAN) have facilitated greater cooperation by stressing among Mekong River states, economic improvement and regional integration. This article examines the roles of the ADB and ASEAN in shaping the current and future policies of the Mekong River Commission (MRC) in the Southeast Asian mainland. This focus will include the rise of the Greater Mekong Sub-Region (GMS) resulting from ADB efforts, in addition to the integral importance of ASEAN following the introduction of the majority of mainland Southeast Asian states to its ranks.



## THE ASEAN SECURITY COMMUNITY PROJECT. THE PROSPECTS FOR COMPREHENSIVE INTEGRATION IN SOUTHEAST ASIA

By Christopher B. Roberts

On 7 October 2003 the Association of Southeast Asian Nations (ASEAN), at the 9<sup>th</sup> ASEAN Summit, formally proposed the establishment of a security, economic and socio-cultural community by the year 2020. The proposal to erect these three pillars reflects the academic literature on the theory of a 'Security Community'. The present study has two primary investigative tasks. The first explores how security community frameworks can be improved to better reflect these realities in interstate and communal relations. Based on the insights from this the second critically evaluates, by way of a brief case study, why Southeast Asia cannot be characterised as anything more than an embryonic or limited security regime.



The *Bulletin of Indonesian Economic Studies* (BIES) is a peer-reviewed journal published by the Indonesia Project, The Australian National University.

The journal fills a significant void by providing a well respected outlet for quality research on the Indonesian economy and related fields such as law, the environment, demography, education and health. In doing so, it has played an important role since 1965 in helping the world, and Indonesians themselves, to understand Indonesia. In addition to papers reporting economic analysis and research, each issue leads with a 'Survey of Recent Developments', which aims to be accessible to non-economists, and helps to account for the journal's diverse readership within academia, government, business and the broader public.

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# Securing Malacca Strait

*Begi Hersutanto and Bantarto Bandoro*

FOR the last few years littoral countries surrounding Malacca strait, namely Indonesia, Malaysia, and Singapore, have been lingering with the issue of the security of Malacca strait. The data published by the IMO indicated that since 2000 until 2005 last year there were significant numbers of serious piracy activities in the area. The data published by the IMO was the compilation of report by the shipping companies whom their vessels and crew members were the victim of such serious crime activity.

The concern on the security situation in Malacca strait urged the littoral countries to take immediate and significant action, came up because of Malacca strait is one of the busiest sea line in the world where as about 60,000 ships passing through this area each year.<sup>1</sup> This means that the concern of the security in the area

is not monopolized by the littoral countries, but also the users of the Strait from all around the world.

In other words, the threat in Malacca strait does not only mean threat to the littoral countries, but also threat to the world economy. Looking at the case of Japan who has about 80% of Japan's oil import transit the Strait gives us the picture of how important Malacca Strait is to the world.<sup>2</sup> China as the growing industrial giant in the region also has very significant number vessels going through Malacca Strait. In April 2004, the US Energy Information Administration estimated that 11 million b/d of oil passed through Malacca Strait in 2003.<sup>3</sup> Looking at the recent data shows that the world is currently at the brink of energy insecurity, the disruption on oil supply lines is the thing none of us would ever wish for.

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<sup>1</sup> Associated Press Worldstream, Wednesday, August 9, 2006.

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<sup>2</sup> Oil & Gas Journal, PennWell Publishing Company, January 24, 2005.

<sup>3</sup> The United States Energy Information Administration, April 2004.



Given the potential high threat of the situation to the littoral countries and to the world, there were differences on who and how to secure the Strait of Malacca. Basically the point of view of Indonesia and Malaysia at that time was the involvement of external power other than the littoral countries to secure the Strait is not welcomed due to the territorial sovereignty reason. Meanwhile, the UNCLOS 1982 rules that each of the littoral countries must be responsible in securing their territorial water for save passage. It was until July 2004, the littoral countries reached out agreement to conduct tripartite Join Patrol Cooperation in which each of the littoral countries conducted 24 hours patrol allowing each of the littoral countries patrol to conduct hot pursuit into each other's territorial water up to 5 nautical miles (9.26).

Although recently the International Maritime Bureau said that attacks in the waterway dropped to three in the first six months of 2006 from eight previous year, the strait is not yet completely 100% safe. Numbers of actions and initiatives have been conducted by the littoral states but they still do have their limitation. This is something that the littoral countries, Indonesia, Malaysia, and Singapore shall find the breakthrough solution without compromising any of each littoral country's territorial water sovereignty.

One of the proposal in the initiative in securing Malacca Strait is by "burden sharing" mechanism. While the littoral countries are expected to have adequate performance in securing the state, at the same time they also have their limitation

in securing the strait. Therefore, the "burden sharing" mechanism seems not only logical, but also do-able and acceptable in achieving the common goal, namely, a secured and safe Malacca Strait.

### Who is responsible for the security in Malacca strait?

The littoral countries acknowledge that the responsibility in securing the Strait of Malacca is the responsibility of the littoral countries as ruled by the International Law of the Sea (the United Nations Convention on the Law of the Sea, 1982). However, in this particular International Law is particularly regulating with regard to the responsibilities of the littoral countries are only within providing save navigation and ensuring free passage of the vessels. The security issues in Malacca Strait is mainly in the realm of Criminal Law of the national law since disturbance in the Malacca Strait is mainly acts of crime by nature.

While the UNCLOS 1982 does not specifically mention about the responsibility for the littoral countries in ensuring the vessels free from any potential attack while trespassing their territorial water, indeed, the responsibility to protect is entitled with the sovereignty. Therefore, in this regard it is likely that the littoral countries also shall take responsibility to secure the strait for foreign vessels passing through.

However, indeed, we have to also acknowledge our limitation in this regard as a wise words said that *a man has to know what he can do, and what he cannot do.*

Looking at the case of Indonesia since the military embargo imposed to Indonesia, Indonesia was having a hard time to maintain its minimum standard of capabilities with regard to the sufficiency of the equipment. Most of the Indonesian navy battleship was made in the 60s or the 70s. The latest version Indonesian Navy might have is made in the 80s. This problem does not include the sufficient number of Indonesian Navy armada not only to secure the Malacca Strait but also to secure the entire Indonesian territorial water.

Another problem in securing Malacca Strait from the point of view of the littoral countries is the budgetary problem. The natural condition in the Strait of Malacca is rather specific. There are so many small islands along the waterway whereas the Malacca Strait is also not a very deep water. This kind of natural condition requires certain suitable equipment. Meanwhile such sophisticated suitable equipment requires suitable budget at the same time.

Due to the high expectation from the users of the Strait to the littoral countries to secure the Strait, the effort in securing the Strait of Malacca requires non-stop 24 hours intensive patrolling. Such operation also requires significant financial support in maintaining intensive patrolling activities.

Perhaps, due to our limitation versus the expectation to the littoral countries, it is the best time for opening up the possibilities to have limited cooperation with external parties. In other words, the littoral countries welcomed any assistance with regard to the training, equipment, and also

intelligence information from the external parties. However, in this regard, the possibilities for the external parties to provide assistance through physically active existence or deployment in the Strait of Malacca would not be the best option. It will only create unnecessary problem without even fixing the core problem. Therefore, in this regard, the users of the Strait should also take initiative to assisting the littoral countries.

### **The issue of "burdens sharing" and overcoming the "fear factor"**

To meet the expectation in securing Malacca strait while having the limitation, the option for burden sharing seems realistic for the littoral countries. The user countries of the strait shall also contribute equally to effort in securing Malacca strait. This should proceed based on the the idea that both the littoral states and user countries have recognized the need to work hand in hand.

Sufficient effort in guaranteeing the security of Malacca strait requires sufficient quantity of regular patrol as well as sufficient equipment. Such effort, of course, requires significant budget for the littoral countries. While the littoral countries have limited equipment and budget to conduct sufficient patrol, the users of the strait are likely to contribute significantly so that the littoral countries could meet the high expectation.

In this regard, the littoral countries seem to be open to any kind of contribution such as providing training, financial support, and also equipment, etc. However, active deployment of external



troops in the strait shall be denounced. Such option will not solve the core problem. In fact, due to sovereignty reason, such option will only lead to another unnecessary problem.

The efforts to secure Malacca Strait need to be focused not only on burden sharing, but also how such a sharing will contribute in eliminating the "fear factor".

The situation most feared by the littoral states as well as the global maritime shipping industry is a large-scale terrorist attacks by using the strait as their media. In connection with this, Malaysia, Indonesia and Singapore have welcomed state users and stakeholders of the Malacca Straits to participate to enhance safety, security in the international waterway.

State users and stakeholders could contribute in ensuring the straits' safety by collaborating and sharing resources with the three littoral states. Malaysia, Indonesia and Singapore have taken steps to ensure state users' security in collaboration with the International Maritime Organisation (IMO). The three countries have beefed up security precautions to protect the straits from piracy and possible terrorist attacks as it is regarded as the maritime corridor for international merchant ships.

For the past two years littoral states have been cooperating by carrying out coordinated patrols and taking part in the "eyes in the sky" aerial surveillance programme. There was a report that piracies in the straits had dwindled from 38 cases in 2004 to 18 last year and only three cases in the first half of this year. This is

a proof that "fear factor" can only be overcome if both state users and stakeholder established a strong networking to secure the safety and security of the strait.

What is important is that there is political will from the littoral states and user states to work together to put in place a strong infrastructure which will ensure safe, secure and environment-friendly navigation through the strait.

It was against such background that Maritime officials from 31 nations gathered in the Malaysian capital on September to hammer out ways to offset the cost of ensuring the safety, security and environmental protection of Asia's busy Malacca Strait waterway.

At this meeting, authorities aim to match awishlist of requirements from nations bordering the Strait, which carries 40 percent of world trade, with offers of assistance from nations and shipping groups that use the crucial sea lane. Contributions could range from money to efforts such as the sharing of intelligence and equipment, technical cooperation and personnel training. The meeting was meant to identify the needs of the littoral states, and then by involving the stakeholders who are in a position to assist, to see how best to satisfy those needs.

There was a commitment that the littoral states – Indonesia, Malaysia and Singapore – would outline a framework of cooperation with user states and the shipping industry focusing on security, navigational safety and environmental protection.

## Conclusion

It is the responsibility of the littoral countries to secure Malacca Strait as obliged by the International Law. However, at the same time, the littoral countries should also be open to the possibilities for the external parties to provide assistance since the security of Malacca Strait is not only the concern and the interest of Indonesia, Malaysia, and Singapore, but also the concern and the interest of the world.

In this regard the involvement of external parties in securing the Strait of

Malacca shall not impacted on the sovereignty of the littoral states as obliged by the existing International Law.

Considering the strategic value of the Strait of Malacca at the same time looking at the expectation to the littoral countries, and also their limitation in conducting their duty, the users of the Strait should also contribute in the effort in maintaining safety passage free of potential threat. This way the effort of the littoral countries and the assistance in good will of the external parties and the users of the Strait will likely complement each other interest and expectation.

# The Impact of Territorial Border Problems on Indonesia's Security

Anak Agung Banyu Perwita

*"THE bad condition of our borderland has not been able to attract the government's attention to re-focused its policy. The government even tended to limit border issue to become merely at outmost islands".<sup>1</sup>*

## INTRODUCTION

As implied in the statement quoted above, Indonesia is currently facing some territorial border problems. The poor management of development in our borderland has become one of the crucial issues to be

concerned. Yet, the Indonesian government seems ignorant that such problem could lead to possible annexation by neighboring countries. So far the government has not yet taken border issues seriously as its main concern and has not either seen the necessity to maintain its territorial integrity and sovereignty as a united nation-state in this globalization era.

<sup>1</sup> The statement of the Chairman of Partai Amanat Nasional, Soetrismo Bachir, as Quoted in *Kompas*, 13 February 2006.



According to the Indonesian Defence White Paper 2003, Indonesia is still having a number of border problems with 10 (ten) neighboring states, namely Singapore, Malaysia, The Philippine, Australia, Papua New Guinea, Vietnam, India, Thailand, Timor Leste, and the Republic of Palau.<sup>2</sup> These unsettled problems will accordingly have negative consequences on our national security. The question is: How should state borders play its essential role in security at the national and international level? This article looks at the significance of the national border issue as one of the crucial aspects of national security problems and focuses on the range of issues (military and non-military dimensions) as part of the comprehensive solution to the national border problems.

## BORDER ISSUES AND ITS RELEVANCE TO NATIONAL SECURITY

*"Borders are like agents of national security and sovereignty, and a physical record of a state's past and present relations with its neighbors"*<sup>3</sup>

As indicated by the above quotation, state borders actually play an important role in determining national security and sovereignty; and even state boundaries (borders) have an important position in the making of inter-states interactions in a

particular region. Even though the phenomenon of globalization has marked the contemporary international relations, it is at the same time still dominated by traditional issues such as state borders. This is of course hardly related to any national security and territorial sovereignty.

On the other side, globalization phenomenon with all its aspects seems to neglect the traditional boundaries of inter-states relations and to vanish the physical distance of nation-states. The rapid development of information technology, communications and weapons has also shown how states border lines increasingly less relevant in international relations in this globalization-era. Globalization, according to Anthony Mc Grew, not only has made territoriality in many states becomes increasingly less relevant, but also questions the sovereignty existence of territorial of nation-states.<sup>4</sup>

### State Borders as State Identity

In most cases, particularly in most developing countries, the government's failure to comprehensively tackle the state boundary problems indicates that the state has turned into a weak or even a declining economy.<sup>5</sup> Furthermore, ineffective administration in managing national borders has

<sup>2</sup> See Indonesia's Defence White Paper, Ministry of Defence, *Defending The Country Entering the 21<sup>st</sup> Century* (Jakarta: Ministry of Defence, 2003), 24-25.

<sup>3</sup> See Kari Laitinen (2004), *Reflecting the Security Border in the Post-Cold War Context*, at [http://www.gmu.edu/academic/ijps/vol6\\_2/Laitinen.htm](http://www.gmu.edu/academic/ijps/vol6_2/Laitinen.htm), as accessed on 25 January 2006.

<sup>4</sup> See, Anthony McGrew, "Power Shift: From National Government to Global Governance," In David Held, ed., *A Globalizing World?: Culture, Economics and Politics* (London: Routledge, 2000), 127-168.

<sup>5</sup> See Stewart Patrick (2006). "Weak States and Global Threats: Fact or Fiction," *The Washington Quarterly* .29, no.2: 27-53.



also become another factor that complicates the existing traditional state boundaries problems.

Indonesia has currently experienced the formation of new provinces and new regencies (*kabupaten*)—a phenomenon that can be seen as the emergence of primordial sentiment based on traditional borders/boundaries. As a result, some government of the new provinces and or new *kabupaten* are now trying to assure its regional boundaries. As a case in point, the local parliament and the newly established government of Banten province had requested the local parliament and the Government of DKI-Jakarta to assure the boundary of Seribu Islands.<sup>6</sup> If this problem cannot be overcome comprehensively, it will of course affect the national integrity. The state's failure to comprehensively manage its national territorial integrity will consequently result in social, economic and political tensions among intra sub-nationals and will even cause violence and conflicts that will create fragmentation and national disintegration.<sup>7</sup>

The state's limited and low capacity in managing and protecting its boundaries will have real impacts both internally and externally. The complexity of borders problem will not only lead to the inter-state conflict/war but can also trigger the

inter-states conflict and war. This is mainly due to the fact that border issues are closely pertinent to the principle of territorial integrity and sovereignty principle. Traditionally, every nation-state will be ready to do anything at all costs, including war to maintain its sovereignty.<sup>8</sup>

Furthermore, as Kari Laitinen argued border issues do not only include the issue of physical territorial, but it also covers various aspects like (natural) resources and the pride of identity which in certain context becomes an important factor to national and local pride.<sup>9</sup> At this point, the border issue is a significant part of national security agenda. Hence, the management system of national borders will play a crucial role in national development agenda.

Meanwhile, in the context of international relations, there were many cases that can be mentioned to illustrate the inter-state conflicts in which the border issue was the triggering factor. In other words, various developments of the contemporary international relations have brought contradictions in the relations among actors (either state or non-state). On the one hand, the border issue has encouraged the sentiment of (ethno) nationalism and other various forms of identity (national and local), and the desire to maintain (natural)

<sup>6</sup> *Kompas*, 28 March 2006.

<sup>7</sup> Julian Saurin, "The End of International Relations ? The State and International Theory In The Age of Globalization," In John Mac-Millan, Andrew Linklater. *Boundaries In Question: New Directions In International Relations* (London: Pinter Publishers, 1995), 244-261.

<sup>8</sup> See Daniel Philpott, *Revolutions in Sovereignty: How Ideas Shaped Modern International Relations* (New Jersey: Princeton University Press, 2001), 5-10.

<sup>9</sup> Kari Laitinen (2004). *Reflecting the Security Border in the Post-Cold War Context*, at [http://www.gmu.edu/academic/ijps/vol6\\_2/Laitinen.htm](http://www.gmu.edu/academic/ijps/vol6_2/Laitinen.htm), as accessed on 25 January 2006.

resources. The case of Ambalat Island between Indonesia and Malaysia is one of the cases which can be used to explain the significance of the border problems among nation-states.

Traditionally, international relations focuses its attention on the patterns of relations among nation-states. The territory of a nation-state will then determine its sovereignty, power and even security. Therefore, national boundaries will play a significant role in determining the existence of a nation-state. In order to effectively protect and control its territory from any possibilities of external military threats, any nation-states will need appropriate military strength. The idea to protect security and safety of its national territory is based on classical Realism which emphasizes the self-help system. In other words, the concept of security border will bring consequences to the ability to deter, the need to have military forces, and the security dilemma in its interaction with other state actor.

Even for a classical Realist, like Hans Morgenthau, the most important national security interest is "*to protect [its] physical, political, and cultural identity against encroachments by other nations*"<sup>10</sup>. However, the problem of national state boundary and security has peeped out different faces in most developing states. The study conducted by Robert I Rotberg has explicitly indicated that one of the important characteristics of the failed states is the

disability in managing the state boundary which then has pushed the intra and inter-state war.<sup>11</sup> The effective management of state boundaries will therefore become the main prerequisite for creating a strong state.

On the other hand, as Georg Sorensen noted, the biggest problem to create a national security and a strong state lies in the limited capacity of the state.<sup>12</sup> This is mainly because the state agenda was occupied with various domestic problems, such as maintaining the regime, and because of the limited capacity in managing the condition of economics, culture social, political and defence.

### The Military and The Non-Military Security of Territorial Borders

For many developing countries, like Indonesia, the national border issue frequently generates a dilemmatic problem. The defence aspect which refers to the ability to overcome various military threats from external forces is consequently related to the non-military threats. Unlike developed nation-states, developing states must also face many other problems in the process of development economically, culturally, socially and politically. Those

<sup>11</sup> Robert I. Rotberg, "The Failure and Collapse of Nation-States: Breakdown, Prevention, and Repair," In Robert I. Rotberg, ed., *When States Fail: Causes and Consequences* (New Jersey: Princeton University Press, 2004), 1-50.

<sup>12</sup> Georg Sorensen, "Individual Security and National Security: The State Remains the Principal Problem," In *Security Dialogue* 27, no.4 (1996): 375-390.

<sup>10</sup> Quoted from Jutta Welds, "Constructing National Interests," In *European Journal of International Relations* 2, no.3 (1996): 275-318.



problems are complicated and closely related to internal stability and defence capability to protect the country from any military threat.

As such, non-military issues are significantly related to the state's capacity to protect national security.<sup>13</sup> A state that fails to protect its national border will therefore face various insecurity problems from non-state actors, such as transnational organized crime and terrorist groups which frequently exploit territorial boundaries to plan, prepare and conduct their terrorism activities.

One case that could clearly explain how transnational crime organizations and terrorist groups conducted their activities is the utilization of borders between Thailand, Malaysia and Singapore by terrorist group in designing, planning and executing their activities in Indonesia a couple years ago.<sup>14</sup> The border of southern

Thailand through province Satun to Sumatra (isles of Riau) through water territory of Malaysia around Langkawi-Penang is an overland route and favorite sea routes applied to flow fund, distribution of weapons, and explosive of the terrorism perpetrators to design terrorism activity. Furthermore, the border land of South Philippine stretching from Zamboanga and Davao (Mindanao), towards islands of Sulu to Sarawak and Nunukan in Kalimantan and Islands of Sangihe-Talaud in North Sulawesi to Maluku and central Sulawesi is alleged to become channel routes of weapons to conduct terrorism activities in the east part of Indonesia.<sup>15</sup> From the above example, it is not an exaggeration if *The New York Times* expresses that, "Failed states that cannot provide jobs and food for their people, that have lost chunks of territory to warlords, and that can no longer track or control their borders, send an invitation to terrorists".<sup>16</sup>

As experienced by many developing countries, complexities of actors, the military and non-military issues, such as unequal and uneven development in the border regions, overpopulation, transnational crimes, the environment degradation, and the problem of social and culture, are the root causes of national insecurity. As Caroline Thomas states:

"(national) security in the context of the Third Worlds does not simply refer to the military dimension, as it often assumed in the Western discussion of the concept, but to the whole range dimensions of a state's existence which

<sup>13</sup> For further discussion on this issue, see Richard Ullman, "Redefining Security," In *International Security* 8, no.1 (1983); Ole Waever, *European Security-Problems of Research on Non-Military Aspects*. Copenhagen Papers No.1. (Copenhagen: University of Copenhagen, 1989); Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post Cold War* (Boulder: Lynne Rienner Publishers, 1991); Helga Haftendorn, "The Security Puzzle: Theory Building and Discipline in International Security," In *International Studies Quarterly* 35, no.1 (1991); Muthiah Alagappa, *Asian Security Practice: Material and Ideational Practices* (California: Stanford University Press, 1998); Benjamin Miller, "The Concept of Security: Should it Be Redefined," In *The Journal of Strategic Studies* 24, no.2 (2001); Sean Kay, "Globalization, Power and Security," In *Security Dialogue* 35, no.1(2004).

<sup>14</sup> *Kompas*, 1 April 2006.

<sup>15</sup> Ibid.

<sup>16</sup> *New York Times*, July 2005. Quoted from Stewart Patrick (2006), 34.



*have been taken care of in the more developed states, especially those in the West*<sup>17</sup>.

There were two different news reported in *Kompas* (10 March 2006) relevant to what stated by Caroline Thomas. First, it reported the disinclination of the Japanese investors to invest its capital due to the low level of security and the social instability in Indonesia. The other news reported the efforts made by Kodam Trikora to build military post to protect outmost islands from the possibility of claims from external parties/states. The news also reported that this border region has been allegedly used as the main sea lines of smuggling, illegal lodging and illegal fishing.

The term 'security' as implied in the two articles indeed carries two different meanings. The first news aimed to see the real condition of non-military security issues at the domestic level which substantially influence foreign investors. In order to attract foreign investments, the government needs to provide more comprehensive policies in the area of non-military issues like economics, law and social culture. Meanwhile, the second one obviously refers to the aspect of defending the border land from any possible external military threats.

Such security problems will consequently result in higher level of vulnerabilities in many developing countries, as they were worsened by limited financial resources, human resource and institu-

tional incapacity (including the strength of the military forces). As such, national border and national security issues are inseparably related to both military and non-military threats. The management of the national territorial border will accordingly include military, economic, social-culture, environment and political aspects.

## CONCLUDING REMARKS

As has been discussed earlier, the complicated issues of national border are related to the type of threat, the wider object of national security, the limited resources, and the perception of threats, which implies the need for a more comprehensive policy. Internally, the effective management of national territorial boundary will not only strengthen the nation-state building but also contribute to the creation of regional security building. This can be achieved by establishing cooperation with the neighboring states. In this case, we must be able to entangle various dimensions like economic, social, law, and diplomacy in managing our national borders.

To borrow the words of Rizal Sukma, in order to comprehensively manage our national border we should have at least four integrated dimensions in our national policy framework, namely: Development, Democracy, Diplomacy and Defence.<sup>18</sup>

The Jakarta Post, 21 March 2005.  
The failure to combine the above dimensions will only make Indonesia a newly failed nation-state in this era of globalization.

<sup>17</sup>Quoted from Caroline Thomas, "New Directions in Thinking about Security in the Third World," In Ken Booth, ed., *New Thinking about Strategy and International Security* (London: Harper Collins Academic, 1991), 269.

<sup>18</sup> Rizal Sukma (2005) War will never solve our problem, The Jakarta Post, 21 March 2005.

## REVIEW OF POLITICAL DEVELOPMENT

# From Constitution to Koesmayadi: Legal and Political Reforms during Eight Year Reform Era

*I Made Leo Wiratma & Indra J. Piliang*

### INTRODUCTION

INDONESIA has been running its political, legal, economic, and governance reform for eight years but several fundamental issues do not seem to have been settled very well. The last three months (July, August and September) have seen such reform issues re-discussed, considerably coloring Indonesia's political development. In general, the issues relate to a number of changes introduced since the beginning of the reform era, specifically constitutional change. There is a demand from a number of groups for Indonesia to go back to the original text of the 1945 Constitution. Rising to the surface is the issue of cabinet reshuffle, following the reshuffle last year, on 7 December 2005, which provides the signal that such thing may happen at any given time. The rising of the issue itself simply shows that political parties are still significantly oriented to securing seats in cabinet portfolio, as they are among the most attractive positions aside from presidential and vice presidential positions. The reshuffle issue, thus, seems to remain central until the second year of the Susilo Bambang Yudhono-Jusuf Kalla (SBY-JK) administration on 20 October 2006.

In the military arena a complicated issue emerged as a number of military weapons had been discovered in the house of former Deputy Logistics Assistant of Indonesian Army's Chief of Staff (Wakaaslog KSAD) the late Brig. Gen. Koesmayadi. The issue was later known as Koesmayadi Gate. The vested interests—related to the supply of military logistics among military (TNI), legislative (DPR), and government—seem strongly juxtaposed. It is giving rise again to the issue of internal reform of the military.

The enactment of Law Number 11/2006 on Aceh Government which paves the way for the implementation of peaceful agreement achieved in Helsinki on 15 August 2005, is a positive development related to the central and local government relations. This probably is the most remarkable achievement of the SBY-JK administration as it consistently provides



a long-term solution to the conflict in Aceh, one that has been lasting for three decades.

The four issues to be discussed are at the national and local levels. In the national level, the subject of the discussion will include the constitution, the executive, and the military. Without undervaluing the significance of other issues, the discussion of the four issues is expected to highlight the future development of political and legal reform in Indonesia.

## URGENCY OF NEW CONSTITUTION

There were several reform demands voiced by the student movement in 1998, namely: (1) Amendment to the 1945 Constitution; (2) Removal of dual function of the military (Dwifungsi ABRI); (3) supremacy of law, guarantee of human rights, and eradication of corruption, collusion, and nepotism (KKN); (4) decentralization and fair relations between central and local governments (local autonomy); (5) manifestation of press freedom; and, (6) actualization of a democratic life. No indicator, however, had been established, as early formulations were not sufficiently conceptualized and were forms of one-party demand without considerable deliberations.

Demand on amendment to the 1945 Constitution, for example, was met with ease in 1999, though some formulations were left unclear. *First*, the constitution does not consistently maintain the principle that the president is directly elected by people; in certain condition the authority to elect is transferred to the People's

Consultative Assembly (MPR). Aside from that, recruitment of candidates for President and Vice President is entitled to political parties (political party system), making it difficult to find an independent candidate (non political party system). *Second*, the bicameral structure of the parliament as envisioned is not supported with equal power of the two chambers, namely People's Representatives Assembly (DPR) and Regional Representatives Assembly (DPD). *Third*, formation of new state institutions such as Judicial Commission gives rise to another new conflict with other institutions in judiciary sphere. *Fourth*, direct election of the head of local government (Pilkada) is not considered part of the general election regime, such that there is no sustained relation between General Elections Commission (KPU) and Local General Elections Commission (KPUD) in the election of head of local government.

There are three general opinions developed as response to these problematic situations. *First* is to enforce the amended constitution before further amendments are to be conducted. This is the opinion of the majority, namely those coming from the backgrounds of political parties, intellectuals, and general public. Their argument, among others, is that the momentum for the constitutional amendment has passed and the people now are more concerned on economic reform than the constitutional one even though how good it is, with some worry that further amendment may open the arena for some irresponsible interest groups trying to influence the game in the highest legislature (MPR).



*Second* is to carry out either partial or comprehensive amendment to the amended constitution. Demand for the partial amendment to the amended constitution has been once proposed by the Regional Representatives Assembly (DPD) through its letter signed by its 128 representatives, specifically addressing the issue of position of DPD in the amended constitution. It is not easy, however, to gain support from one third of the members of the MPR (composed of 550 DPR members and 128 DPD members) as condition for proposing a constitutional amendment. Political parties, as predicted, are in favor of the existing formulation compared to another new one as the existing formulation is providing them with more favorable rights and authorities compared to those of DPD (*soft bicameral*).

*Third* is to go back to the 1945 Constitution with its original text formulated on 18 August 1945. This group establishes the so-called "Soul Revolution Movement" (*Gerakan Revolusi Nurani*, GRN) with (Retired) General Tyasno Sudarto, former Army Chief of Staff, as one of its pioneers. According to Tyasno, GRN is a revolutionary movement in the field of law and culture using various ways, i.e., socialization to MPR as the state institution with the right to amend the constitution and or asking the President to issue a decree.<sup>1</sup> President Susilo Bambang Yudhoyono has responded to this issue in his remark at an educational session of the XIV Short

Course of the National Resilience Institute (Lemhanas) in the State Palace in Jakarta on 6 July 2006, saying, "If there is new insight coming, asking us to go back to the 1945 Constitution, the solution is not with the presidential decree."

According to the President, issuing a presidential decree to go back to the 1945 Constitution is not a matter of bravery but more a matter of how the way to do so is in line with the mechanism provided through the prevailing constitution. With the prevailing constitution, as Article 3 says, however, MPR, and not the president, is the state institution with the authority to establish the constitution. Moreover, according to the President, the demand to go back to the original text of the 1945 Constitution should find the answer in the willingness of the people of this time, living with unique challenges, and should follow the right procedure.<sup>2</sup>

Putting aside varying opinions, the amendment to the 1945 Constitution is a must. The idea to go back to the original text of the 1945 Constitution is considered a setback. There is a need to have a complete and more comprehensive constitution, and this should be done through elegant ways, with the use of extensive academic meetings supported by substantial deliberations or with the establishment of an independent Constitutional Commission provided with clear timeframe to accomplish its jobs. Indonesia needs a visionary, prospective and more comprehensive constitution anyway.

<sup>1</sup>"Tyasno Sudarto Ready to Lead Movement to Go Back to Pancasila-UUD 1945", *Antara News*, 14 Agustus 2006.

<sup>2</sup><http://suaramerdeka.com/cybernews/harian/0607/08/uas13.htm>.

Moreover, with the presence of the Constitutional Court (*Mahkamah Konstitusi*, MK) playing the role of something like constitution guard, the opportunity is increasingly open for the translation and interpretation of constitutional formulations in the deliberation processes among the 9 (nine) constitutional judges of the Court. The open environment, however, also opens the place for resistance from some jurists and activists that go against the decisions of the MK. This happens, for example, with the issuance of Decision Number 005/PUU-IV/2006, wherein the MK addresses almost all the request of the Supreme Court for the rights for material examination. MK also cancels almost all the authorities provided to the Judicial Commission through Law Number 22/2004 regarding Judicial Commission based on the reason that the provisions are contradictory to the 1945 Constitution.

With the existing problems, establishing a new constitution is a better answer than introducing partial amendment or going back to the 18 August 1945 version of the constitution or using the existing amended constitution. There is still a long way to do so, however, in which its momentum is to be struggled and maximum inputs from state institutions, universities, and general public are to be collected and managed, with the idea that the new constitution is to be a new framework for a new Indonesia.

## CABINET RESHUFFLE

Compared to the cabinets in Soeharto era composed of ministers, mainly

technocrats, exclusively chosen by President Soeharto, the post-reform Indonesian cabinets open the gate for the recruitment of people from political parties. The clear consequence is the divided attention of the members of the cabinet, serving at the same time as both presidential assistants and cadres of the parties. The problem is clear when Golkar Party raises its willingness for cabinet reshuffle. Even Syamsul Muarif, the head of Central Organization of Indonesia's Self-Reliant Employees (SOKSI), one of the founding organizations of Golkar, says that Golkar Party should evaluate its support to the government as the latter is considered to perform not at its best. As understood, such evaluation is intended to imply a cabinet reshuffle. The demand for reshuffle is an annual rite, and this time it uses the momentum of second anniversary of Indonesia United Cabinet (KIB) exactly falling on 21 October 2006.

Another discourse related to the issue of cabinet reshuffle is on the need to add a number of junior ministers based on the reason that the existing ministers are overloaded with their agendas, making it difficult even to meet them. It means that the number of ministers will be added, consequently resulting in increased budget. On the contrary, Justice and Welfare Party (PKS), as one of the parties supporting the current administration, is on the position to ask the President to carry out cabinet streamlining. So far, the idea is still unclear regarding how streamlining might look like. Is it a reduction in number of departments and state ministries or replacement of a number of ministers with



new ministers? In these observed months, the Ministers are also seen to be in groupings, whether when they were joining the visit of the President and or Vice President, or when they were doing other activities. They were also showing up through advertisements in the media, telling people about achievement of the ministries under their leadership. Besides, there are a number of ministers known for their absent achievement.

The political interest in the discourse on cabinet reshuffle can be traced through the list of names proposed to be removed. The President of the National Mandate Party (PAN), who increasingly plays with this issue, suddenly ensures, after meeting President SBY, that the three positions currently given to PAN cadres are secured; they are National Education Minister Bambang Sudibyo, Transportation Minister Hatta Rajasa, and Health Minister Siti Fadillah Soepari. Sutrisno instead says that underperforming ministers are those in the economic sphere.

An executive at Central Executive Board of Golkar Party, Yuddy Chrisnandi proposed the substitution of Attorney General Abdul Rachman Saleh, Minister of Law and Human Rights Hamid Awaluddin and another seven ministers. He proposes Abdurrahman Saleh to be replaced by Muladi currently holding the position of the Governor of the Lemhanas and Hamid Awaluddin replaced by Andi Mattalata. According to him, additional 7 ministers to be replaced should include National Education Minister Bambang Sudibyo, Health Minister Siti Fadilah Supari, Internal Affairs Minister Moh Ma'ruf, People's

Housing Minister Yusuf Asy'ary, Research and Technology Minister Kusmayanto Kadiman, Agriculture Minister Anton Apriantono, and Trade Minister Marie Pangestu.

On the other hand, the Head of PDIP faction in the DPR, Tjahjo Kumolo, proposes to have Ministry of Youth and Sports merged with the National Education Ministry, People's Housing Ministry and State Ministry for the Development of Underdeveloped Regions merged with the Ministry of Public Works, and Ministry of Trade reunited with the Ministry of Industry. They proposed the reshuffle in Jakarta on 12 September 2006.<sup>3</sup>

Under the scrutiny is also the Minister of Internal Affairs M. Ma'ruf associated with his failure to provide clear solution to the problem of Lampung governorship. Nonetheless, there has been a clear legal base in place to solve the problem, namely decision of the Supreme Court (MA) Number 437 K/TUN/2004 in favor of Alzier Tabrani. As a consequence, Alzier is entitled to re-hold his position as Lampung Governor even though Lampung is having its new governor, that is Sjahroedin AP. There is no other choice but for the president to remove its presidential decision to appoint Sjahroeddin AP, then to re-appoint Alzier. Otherwise the government must carry out another local election.

In another setting, the Federation of Labor Unions (FSP) of BUMN United

<sup>3</sup>[http://www.hariansinggalang.co.id/isi\\_berita/utama/13sep\\_go.php](http://www.hariansinggalang.co.id/isi_berita/utama/13sep_go.php).



proclaims the underperformance of State Minister for State-Owned Enterprises (BUMN) Sugiharto, saying he has totally failed. They urge the president to immediately carry out reshuffle of the Indonesia United Cabinet and propose Akhmad Syakhroza and Iwan Pontjo Winoto as alternatives for Sugiharto.<sup>4</sup>

From the circle of observers and activists, the strongest demand for reshuffle is addressed to the Minister of Law and Human Rights Hamid Awaluddin.<sup>5</sup> This is more so with the witness of former member of General Election Commission Daan Dimara pronouncing the involvement of Hamid in corruption case, in which only Daan and other members of KPU have so far been the suspects, with some having gone to jail. There is story going around that Vice President Jusuf Kalla is protecting Hamid, and, although Jusuf Kalla has denied it, people believe that discriminatory law enforcement prevails, which may sacrifice their sense of justice.

The discourse of cabinet reshuffle is a high-value one from the political point of view, since it is related to the structural positions within the administration. There emerges a common belief that having a position in the state ministries would mean an easy access to political socialization and communication. This would also allow for preparing potential cadres

for higher positions in the next periods, be it in the political party (for example, to be the president of the party) or in the administrative arena. Putting aside political game at the background, one may realize that replacement of ministers or reducing the number of ministries or departments (bureaucratic reform) may be a need, and this can be done with the support from the political environment. This condition (political support) is supposed to be non-existent in a presidential system wherein ministers should be primarily presidential assistant. Indonesia is still quite far away from the ideal system and pattern.

As observed, the demand for reshuffle is mainly intended to put pressure on SBY so that he can provide better concession for the political support he gains from political parties with seats in DPR. Moreover, as 2009 general election is coming closer, concession game will be more serious. If SBY wants to secure another term in 2009 general election, he seems to have no other choice but to play also with concession. He has to do so because his main supporting party, Democratic Party, is not reliable as the only political machine. Thus, SBY is situated in a concession game in which his short-term and long-term political goal and interest will be determined. Such a play is simply proving that the real political exercises in Indonesia are still incompatible with the theoretical construction as we expect to apply. In the theoretical realm, it is the ministers who need to provide concession in the form of achievements, and not the other way round.

<sup>4</sup><http://www.suarakarya-online.com/news.html?id=154939>.

<sup>5</sup>See Tjipta Lesmana, "Hamid Awaluddin dan 'Reshuffle' Kabinet", *Sinar Harapan*, 17 May 2005.

## THE KOESMAYADI GATE: SCANDAL OR CONSPIRACY?

The Central Military Police of Indonesian Army (Puspom TNI-AD) has discovered 145 weapons (composed of 96 long classifiers, 7 glossy long classifiers, 42 short classifiers), 28,985 ammunition, 9 hand grenades, and 28 telescopes in the private house of Deputy Logistics Assistant of KSAD (the late) Brigadier General Koesmayadi at Pangandaran V Street Number 15, Ancol, North Jakarta. The discovery happened when the Puspom TNI-AD was implementing the procedure of withdrawal of military inventories including guns from pensioned or deceased military officers.<sup>6</sup> Besides, POM TNI-AD also received another 32 guns given by the late Koesmayadi to Colonel Infantry Teddy who is now the Intelligent Assistant at Kodam III/Siliwangi.<sup>7</sup>

The discovery surprises many people. Various questions, suspicions, and speculations are rising as response to the news. The responses can be mapped out

as follows: *First*, the case is claimed to have political bearing. Some circles are thinking of the hoarding of guns as related to political goals, such as supply to conflict areas, preparation for internal military rivalry, or preparation for coup d'état. For the last argument, Defense Minister Juwono Sudarsono has denied it, saying the number of the guns is too limited to be able to carry out a coup d'état.<sup>8</sup> The possibility of supply to conflict areas needs validation so that speculations do not complicate the matter.

One of the most reasonable explanations on the motive of the hoarding is the internal rivalry within military institution especially the army. It is known that closeness to the senior and those holding political power is a significant factor that influences the career of a military personnel. And Koesmayadi, as the actor of the hoarding, can be put under the power mapping within the Indonesian Army, a picture that is problematic and so far kept closed from public observation. Koesmayadi is a military official known to be loyal to former Indonesian Army Chief of Staff (KSAD) General Ryamizard Ryacudu. Ryamizard has political view and orientation that are different from General Djoko Santoso, the current Indonesian Army Chief of Staff (KSAD). General Ryamizard Ryacudu is a supporter of

<sup>6</sup>As known, (the late) Brigadier General Kusmayadi passed away on 25 June 2006 and based on the medical report from the Central Hospital of Indonesian Army (RSPAD) his death is due to heart attack. The next day on 26 June 2006 the corpse was buried and at the same day Puspom TNI-AD implemented the due procedure further resulting in the discovery. *Suara Pembaruan*, 30 June 2006.

<sup>7</sup>As disclosed by Indonesian Military Commander Air Marshall Djoko Suyanto, the transfer of the guns happened when Colonel Teddy was serving for the Special Army Command or Kopassus, *Media Indonesia*, 5 July 2006.

<sup>8</sup>Yapto Sulisty Suryosoemarno, a close friend of the late Koesmayadi, is among the people who argued against the explanation that the hoarding was intended for preparation of coup d'état. *Suara Karya*, 3 July 2006.



former President Megawati Soekarnoputri, while General Djoko Santoso is a close friend and supporter of President SBY.

When Megawati Soekarnoputri was defeated in 2004 presidential election and no longer held the presidential position, SBY canceled the nomination of Ryamizard as the Army Chief of Staff and took away his position as KSAD, then given to Djoko. Securing the position as KSAD, Djoko begins to "clean" the army, in the forms of disclosing a number of corruption cases within the Indonesian Army and removing personnel deemed loyal to Ryamizard. One of the targeted military officials was Brigadier General Koesmayadi, as he was not included in the promotion as Logistics Assistant of KSAD despite the fact that he was a strong candidate.

This explanation is not sufficiently valid, however, since the rivalry within the Indonesian Military has never involved the use of arms or become an open conflict between generals. The more significant rivalry factors within the military are the field and the education year, although the two factors have limited bearing on career ranks.

*Second*, related to the status of the weapons is the question whether they are privately owned or part of the military logistics. Koesmayadi is known as a warring soldier; ever before he was assigned to East Timor (now the state of Timor Leste) and Papua. He was also found of having guns and expert in gun modifications. Besides, Koesmayadi was knowledgeable of the field competence of Indonesian Military, their strengths and

weaknesses in terms of personnel and weapons, and was skillful in mobilizing personnel and military equipments.

He once proved his competence when Aceh was proclaimed to be in a military emergency status and the same region was hit by tsunami on 26 December 2004. The personnel and the equipment were ready immediately although the fund was not yet available.<sup>9</sup> The job of Koesmayadi was indeed related to weapons and logistics, at the same time he was a collector of guns.<sup>10</sup> As a collector of guns, it is very reasonable to think of this person as having a collection of guns, since there is no rule that limits the number to be collected by a collector. On the other hand, if the guns are part of the inventory of Indonesian Military, then the ownership of such a big number of guns is out of the properness as the Indonesian Military has ruled it out. Besides, it is clear that there is fault in terms of procedure, be it related to storing, warehousing, or ways to manage the guns.<sup>11</sup>

*Third* is the speculation that the hoarding of the guns is the effect of embargo policy of the United States and

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<sup>9</sup>It was explained by Head of the Information Service Office of Indonesian Army Brigadier General Ricardo Siagian as quoted by *Majalah Tempo*, 9 July 2006.

<sup>10</sup>As disclosed by his former superior (Retired) Lieutenant General Kiki Syahnakri (former Deputy Chief of Staff of Indonesian Army) and (Retired) Lieutenant General Zacky Anwar Makarim to *Suara Karya*, 3 July 2006.

<sup>11</sup>Explanation of TNI Commander Air Marshall Djoko Suyanto and KSAD General TNI Djoko Santoso as quoted by *Bisnis Indonesia*, 1 July 2006.

its western ally on Indonesian military. That policy triggers every division of the military to manage its logistics through its own way.<sup>12</sup> This is more so with the fact that the budget is too limited, covering only 30% of the need of Indonesian Military. In fact, at certain time, Indonesian Military may need development, in terms of personnel and weaponry to deal with unanticipated situation in war area or in certain operation.

The problem of budget is very clear and the government cannot do much to address the problem. It is this reason that, as known, TNI has been developing its own ways to solve the problem by, among others, managing its own business for the purpose of addressing the welfare of its soldiers or the logistic needs of the institution. So far, the generated fund remains insufficient.

*Fourth* is the concern over national security aside from questions on the capacity of TNI in managing organizational discipline and controlling weaponry.<sup>13</sup> Whereas, the Ministry of Defense has issued a one-door policy through the Decision of the Minister of Defense No: KEP/01/M/I/2005 regarding Procedure in Procurement of Military Goods/Services with Export Credit Facility within the Ministry of Defense and Indonesian

Military, and Decision of the Minister of Defense No: KEP/15/M/II/2005 regarding Guideline in the Procurement of Goods/Services within the Ministry of Defense/Indonesian Military. The case of the weapons hoarding has proved that there is still potential abuse in the management system of TNI, especially related to weaponry procedures, covering the processes from purchasing, storing, and utilization.

*Fifth* is the worry that the hoarding of the guns may involve not only Koësmayadi but also other parties such as TNI business partners and users of the guns. The worry becomes more significant with the circulation of a document on gun procurement contract between Indonesian Army (TNI-AD) and CV. Adian Nalambok on 14 June 2002 supported with a contract letter number 01/ADA/JATMU/SLOGAD-2002 valued at US\$ 209,200 to purchase 20 units of gun of M16 A2 type and 15 units of GPMG M58 type. From the Logistics Office of Army, the representative was Colonel Infantry Koësmayadi, while from CV. Adian Nalambok the representative was its President Director ML. Tobing.<sup>14</sup> The contract letter was forwarded to, among others, the Inspector General of Indonesian Army (Irjen AD), such that Irjen AD should have reported it to its superior,

<sup>12</sup>As informed by Defense Minister Juwono Sudarsono and intelligent observer Wawan H Purwanto to *Suara Karya*, 3 July 2006.

<sup>13</sup>As observed by military observer at Centre for Strategic and International Studies (CSIS), Edy Prasetyono to *Kompas*, 3 July 2006.

<sup>14</sup>It is discovered in the meeting between Commission I of DPR-RI and Minister of Defense Juwono Sudarsono, Military Commander Air Marshall Djoko Suyanto, Army Chief of Staff General Djoko Santoso, Navy Chief of Staff Admiral Slamet Soebijanto, dan Air Force Chief of Staff Air Marshall Herman Prayitno, *Suara Pembaruan*, 11 July 2006.



the Army Chief of Staff (KSAD). Thus, KSAD at that time should have known the procurement contract and must be responsible for the case.

But based on the tentative result of the existing investigation conducted by the Central Military Police of the Indonesian Army (Puspom TNI-AD), there are 11 personnel of Indonesian Army to enter into the next investigation. From the 11 personnel to be investigated, there is only one personnel with the title Brigadier General, who is (the late) Koesmayadi, while others are simply subordinates.<sup>15</sup> The question is whether KSAD now has the courage to carry out examination on high-ranking officials within TNI in case there is indication of their involvement. The courage to examine those high-ranking officials even with 4 stars is significant as a way of discovering the real structure of the scandal.

The Koesmayadi Gate should have indicated the new area of military reform. If the focus of the military reform as demanded by 1998 student movement is the external function of the military (ABRI at that time), now the reform should be on internal reform. The disclosure of the Koesmayadi Gate will help set the light of what reform measures to carry out, which may comprise reform in the doctrine and educational curriculum of the Indonesian Military and various aspects of micro management such as accountability system over military budget. The practical phrase as commonly used is: there should be an account for the use of every single bullet.

<sup>15</sup>*Kompas*, 10 August 2006.

## LAW NO. 11/2006 ON ACEH GOVERNMENT

After a long debate, finally DPR agreed with the Draft Law on Aceh Government (RUU-PA) to be enacted as law. However, there are a number of matters still questioned by the Aceh Freedom Movement (*Gerakan Aceh Merdeka*, GAM).<sup>16</sup>

First is related to Article 8, saying: (1) Any plan of the (central) government for international agreement, which is directly related to the Aceh government, shall be done with consultation and opinion of Aceh Legislative Assembly (DPR Aceh); (2) Any plan from the DPR for the formulation of a law, which is related to Aceh government, shall be done with consultation and opinion of the Aceh Legislative Assembly. GAM rejects the use of the term "consideration" (*pertimbangan*), and proposes instead for the use of the term "agreement" (*persetujuan*). The hesitation of the GAM is logically understandable because with the term "consideration" the (central) Government and DPR can easily dispose the idea, meaning the local legislature in Aceh simply does not have any power. This is different from the use of the term "agreement" with which the Government and DPR are bound to establish agreement with DPR Aceh on a concerned matter and the agreement is binding by nature.

<sup>16</sup>Ten factions within the People's Representatives Assembly of the Republic of Indonesia (DPR-RI) unanimously agrees on Draft Law on Aceh Government, composed of 40 chapters and 273 articles to be enacted as Law. *Koran Tempo*, 12 July 2006.

*Second* is related to Article 11 paragraph (1): The Government shall establish norms, standards, and procedures, and supervise the implementation of affairs run by Aceh government, regencies, and cities. GAM considers this provision as one that reduces the special position of Aceh. The obligation to follow the norms, standards, and procedures of the Government and to be put under the supervision of the Government on matters carried out by Aceh government would imply that Aceh might lose its independence and will become too dependent on the central government.

*Third* is related to schedule under Helsinki MOU in which enactment of Law on Aceh Government should have been finalized on 31 March 2006 but in fact postponed until 11 July 2006. Parallel with it is the schedule for local election in which April 2006 is supposed to be the time but it is postponed until December 2006. The deliberation process of RUU-PA, colored to some extent with the bribery issue, has been complicated since the beginning with the presence of two legal frameworks, namely 1945 Constitution of the Republic of Indonesia and Helsinki MOU. The result is contradictions as can be observed in the following clauses.

*First*, there is authority of the Aceh government to determine local bank interest even to the extent that the determination is different from one determined by the Central Bank of the Republic of Indonesia (Bank Indonesia).<sup>17</sup> This is

<sup>17</sup>See Memorandum of Understanding between the Government of the Republic of Indonesia and Aceh Freedom Movement part 1.3. on Economy, Figure 1.3.1.

clearly contradictory to the 1945 Constitution providing that monetary policies such as determination of interest rate are under the authority of the Central Government, meaning that the provision in the UU-PA is against Law No. 32 Year 2004 regarding Local Government<sup>18</sup> as an implementing regulation of Article 18 paragraphs (1), (5), and (7) of the 1945 Constitution. Application of different policies in one region at the same time clearly results in uncertainty and potentially gives rise to conflicting situation and other instabilities.

*Second*, Aceh holds a principle of power separation between legislative, executive and judicial bodies.<sup>19</sup> The 1945 Constitution introduces the three bodies (legislative, executive, and judicial) but does not hold the principle of power separation. What it holds is the principle of power allocation in which collaboration between two state bodies is allowed. For example, power to enact a law lies in the hand of DPR as Article 20 paragraph (1) of the 1945

<sup>18</sup>Article 10 paragraph (1) of Law No. 32 Year 2004 regarding Local Government states that local government shall carry out governmental affairs under its authority, except governmental affairs provided by this law as part of central governmental affairs. Furthermore, Article 10 paragraph (3) of the same law mentions that governmental affairs to be part of (central) Governmental affairs as intended in paragraph (1) shall include: a. External Relations; b. Defense; c. Security; d. Judiciary; e. National Monetary and Fiscal Policies; and f. Religion.

<sup>19</sup> See Memorandum of Understanding between the Government of the Republic of Indonesia and Aceh Freedom Movement part 1.4. on Law and Regulations, Figure 1.4.1.



Constitution provides, but enactment of the law requires joint agreement between DPR and President as regulated by Article 20 paragraph (2) of the 1945 Constitution. The same applies for the enactment of local regulation (Perda) in which head of local government has the authority to enact but it shall be done with the agreement of DPRD.<sup>20</sup> If Aceh Government Law (UU-PA) insists to adopt clauses of Helsinki MOU, there will be legal clashes and contradiction to the 1945 Constitution is unavoidable.

Also interesting but basically a mistake is free interpretation of Article 18B of the 1945 Constitution, saying: (1) The State recognizes and respects units of local governments with unique or special characteristics with their presence regulated by law; (2) The State recognizes and respects units of customary communities with their traditional rights as long as they are still alive and adjusted themselves to the development of society in general and are in line with the principle of the Unitary State of the Republic of Indonesia, with their presence regulated by law. The recognition and respect of the state on uniqueness and special status of a region, of course, have to be regulated by law as provided by the 1945 Constitution. It does not mean, however, that a special law or a specific law is required if a comprehensive law on Local Government can do justice, providing at the same time and with the balanced proportion respect for uniqueness to due regions and equal treatment for all regions.

If every uniqueness or special position is to be regulated by a specific law, there will be several problems to rise: (1) Indonesia comprises highly heterogeneous regions with their own uniqueness and special conditions, such that the special Law on Aceh Government (UU-PA) can play as an inspiration and reference for other regions to demand the same treatment. If it happens, the Unitary State of the Republic of Indonesia is going to its end; (2) In the UU-PA there is other principle to hold, which is the Islamic law, to be implemented through *qanun*, and with this principle in place it is sure that in the implementation there will be some principles to sacrifice, the principles that are to be embodied in every law within the legal boundary of the Republic of Indonesia, such as the principles of protection, humanity, nationhood, family orientation, archipelagic perspective, unity in diversity, fairness, equal position under law and government, orderliness and legal certainty, and balance, harmony, and peace.<sup>21</sup>

Aside from the above problems, the name of the law, UU-PA, does not use the term "Local/Regional" (Daerah), but instead simply uses the terms "Aceh Government", leading to a perception that Aceh is a different state and not part of the Unitary State of the Republic of Indonesia. Implementation of Islamic law, joint management with equal status between Central Government and Aceh Government of natural resources, allowed participation

<sup>20</sup>Article 136 paragraph (1) of *law No. 32 Year 2004 on Local Government*.

<sup>21</sup>Article 6 paragraph (1) of *Law No. 10 Year 2004 on Establishment of Law and Regulations*.

of local political parties and independent candidates in local elections, all these are exceptions from general regulations. With all these descriptions, while on the one hand the Government of Indonesia is trying to understand the dissatisfaction of GAM on UU-PA, there should also be equal understanding from the part of GAM on the wider national interest of Indonesia. To say it boldly, the accommodation of clauses of Helsinki MOU has been maximal, even in some matters it has been out of the box from the perspective of the constitution and the framework of the Unitary State of the Republic of Indonesia.

Solution model from the case of Aceh is still preliminary in its nature. There will be improvements in the future, based on a comprehensive evaluation. So long as Law No. 11/2006 is still a law, its binding power remains inferior to the constitution. Moreover, the conflict and the devastating tsunami, which have significantly reduced the number of populations there by hundreds of thousands, have shifted the focus of the problem. As such, the regulation problems and their settlements are simply a small part of a long road towards new Aceh, as well as to new Indonesia.

## CONCLUSION

Establishment of new constitution, formation of new cabinet with more professional outlook and following presidential system, settlement of "Koesmayadi Gate", and implementation of Law No. 11/2006 are part of the barometer to measure probability to achieve a new Indonesia, from the perspectives of both reform ideas and Indonesia's vision as a nation and a state.

In conclusion, the following notes can be provided. *First*, the spirit of reform should be sustained, especially constitutional reform, until a new and ideal constitution is secured, providing Indonesia with sound bases to manage national, state, and societal lives. Constitutional reform is not simply related to political constellation, but should primarily oriented towards Indonesia's future arrangements directed under a clearer and more focused vision.

*Second*, law enforcement especially for the eradication of corruption, to be applied without discrimination, including to former presidents, is mandatory, as, aside from meeting one of the reform demands, it is part of the process of establishing a clean and good governance. Discriminatory law simply contributes to disorganized situation and complicates our journey as a nation.

*Third*, there is a need to have consistency and continuity in public policies so that people will not be disoriented and confused with various policies that keep changing without clear results. The patience of people when involved in the dynamic reform movement should be appreciated through better public service.

*Fourth*, there is a need to be more transparent in strategic matters relating to public interest so that people can learn to take proper attitude and their participation in the formation, control and supervision of a policy can be enhanced. Reform not only demands clear results; it also requires transparent process.

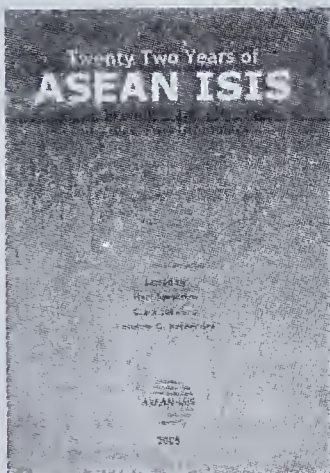


*Fifth*, establishment of policies, especially in the form of law and regulations, needs to consistently refer to the constitution and the principles that should guide any formulation of law and regulations, such as protection (to provide protection to achieve a peaceful society), humanity (protection and respect for human rights), nationhood (to take into account the nature

and characteristics of the nation as a plural one), family orientation (deliberation to achieve consensus), archipelagic perspective (to pay due attention to the interests of people from different localities and to place it as part of the national legal system based on Pancasila), and justice (to provide equal and proportional treatment for all citizens without discrimination).

## TWENTY TWO YEARS OF ASEAN ISIS

### Origin, Evolution and Challenges of Track Two Diplomacy



Edited by *Hadi Soesastro, Clara Joewono, Carolina G. Hernandez*

Published by *Centre for Strategic and International Studies (CSIS), Jakarta.*

"Track 2" diplomacy in Southeast Asia is synonymous with ASEAN ISIS and has become a key component of the networking efforts. ASEAN ISIS was founded in 1984 when a group of strategic studies institutions in Southeast Asia met in Bali. Counted from that first meetings in Bali, by 2006 ASEAN ISIS has been in existence for twenty two years. ASEAN ISIS is deeply involved in developing ideas for the future of ASEAN.

This is a book about ASEAN ISIS written by individuals that have been involved in establishing this regional network, scholars from ASEAN ISIS members institutions as well as those from other institutions, but who have been actively involved in various ASEAN ISIS meeting. Some articles in this volume have been written on ASEAN ISIS.

This publication is dedicated to Tan Sri Dr. Noordin Sopiee of ISIS Malaysia, an ASEAN thinker and founder of ASEAN ISIS, who passed away on 29 December 2005.

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# REVIEW OF ECONOMIC DEVELOPMENT

## Poor First-Half Performance

*Ari Perdana*

INDONESIA'S economy grew by 5.2% (y-o-y) in the second quarter (Q2) of 2006, higher than in the first quarter, but still lower than in Q2-2005. Although the government has revised its 2006 growth target from 6.2% to 5.8%, slow investment growth and poor performance of some important sectors gives some doubt over how such target would be achieved, especially given the current high interest rate.

### Negative Investment Growth

Consumption growth remained at 3% in Q2-2006. A combination of slow growth in food consumption and a slight decline in non-food consumption growth was the reason for stagnating consumption. The purchasing power of the economy has yet

to recover from last year's fuel price increase and high interest rate.

The negative growth of investment gives some reasons to worry about the country's economic performance. After showing a faint recovery in Q1, investment grew by -1% in Q2. Weak exchange rates, consistently lingering above Rp9,000/USD, and higher interest rates throughout 2006 compared with 2005, contributed to weak investment performance since most of capital and intermediary goods are still imported.

### Mixed Signal of Recovery

The production side shows a mixed signal of recovery. Agriculture, mining, construction, transportation and communication and services grew moderately

Table 1. Components of GDP Growth: Expenditure Side (2000 Prices; Y-o-Y)

	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	2005
Household consumption	3.8	4.4	4.2	2.9	3.0	4.0
Government consumption	-6.7	14.7	30.0	12.8	31.4	8.1
Gross fixed capital formation	15.6	9.4	1.8	0.9	-1.0	9.9
Change in stock	-107.1	-40.6	-156.9	7.4	-648.9	-81.7
Export of goods and services	11.2	4.8	7.4	11.0	11.3	8.6
Less import of goods and services	17.9	10.6	3.7	3.7	8.3	12.3
Gross Domestic Product	5.6	5.6	4.9	4.7	5.2	5.6

Source: BPS



while utilities, trade and tourism have been relatively stagnant.

The oil-and-gas sub-sector of manufacturing shows a reversal from negative to slightly positive growth rate (0.2%). This was mainly driven by the increase of international oil prices. On the other hand,

the industry seems to still suffer from the impact of higher oil prices. High oil price has created an adverse effect to Indonesia's non-oil manufacturing industries, which grew only 3.4% in Q2, compared to 3.8% in Q1. Almost all of the non-oil manufacturing sub-sectors actually showed increase in growth. However, the overall

**Table 2. Components of GDP Growth: Production Side (2000 Prices; Y-o-Y)**

	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	2005
Agriculture	0.9	2.9	5.5	3.9	5.0	2.5
Mining and Quarrying	-0.5	1.0	1.9	3.6	5.4	1.6
Manufacturing, Petroleum & Gas	-5.3	-5.6	-7.1	-3.2	0.2	-2.7
Manufacturing, excl Petroleum & Gas	6.2	5.7	4.1	3.8	3.4	5.7
Electricity, Gas, and Water	6.9	6.6	6.1	5.8	5.7	6.4
Construction	8.2	6.9	6.9	7.2	8.3	7.4
Trade, Hotel, and Restaurant	10.0	8.6	6.0	4.7	4.6	8.6
Transportation & Communication	14.1	13.0	10.8	11.0	13.3	12.9
Financial, Ownership & Business	8.9	7.9	5.2	5.4	5.1	7.1
Services	4.4	5.6	6.0	5.4	5.9	5.2
Gross Domestic Product	5.6	5.6	4.9	4.7	5.2	5.6

Source: BPS

**Table 3. Components of Non-Oil and Gas Manufacturing (2000 Prices; Y-o-Y)**

	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006
Manufacturing, Excl Petroleum & Gas	6.21	5.70	4.09	3.81	3.36
Food, Beverages & Tobacco	3.14	1.98	1.17	1.16	2.95
Textile, Leather Products & Footwear	3.30	1.45	1.19	1.50	1.82
Wood Products & Other Wood Products	-2.26	0.37	-3.80	-2.89	0.19
Paper & printing	2.36	6.90	-2.53	-4.22	-0.30
Fertilizers, Chemicals & Rubber	9.98	6.12	3.14	3.20	4.51
Cement & Non-Metalic Mineral	7.58	2.45	-2.85	-3.55	-4.23
Iron & Basic Steel	-4.01	-3.16	0.17	4.17	5.47
Transport Equipment, Machinery & Apparatus	11.54	12.71	12.16	11.02	5.61
Other Manufacturing Products	3.17	0.97	2.37	1.47	6.66

Source: BPS

manufacturing growth rate declined due to cement; and the growth rate of transport-related products, which contributed a big share in the GDP, has declined largely from 11% to 5.6%.

Declining interest rates may provide a healthy boost for the economy to grow faster in the second half because investment should start recovering. Government development projects that started later in the year would also be another driving force for consumption growth. On the bleaker side, inflation that remains high and the impact of several natural disasters would hinder growth. But the economy may grow between 5.5%-5.8% in 2006 as predicted before.

## MONETARY DEVELOPMENT

The monetary authority continues to loosen its grip on the interest rate in Q3-2006, lowering the interest from 12.75% to 10.75%. Inflation began to decelerate in the

first semester of 2006, leveling at 14.55% in September 2006. Meanwhile, the Rupiah experienced a modest appreciation to Rp 9,177 per US\$ by the end of August, accompanied by an improvement in the stock market index.

## Lower Inflation

For the first time in 11 months, annual inflation rate has gone below 15%. Inflation was recorded at 14.9% in August and 14.55% in September (y-o-y). Food continues to be the biggest contributor to inflation in the second quarter. However, an increased output during the harvest season began to have impact as monthly food inflation were low in the past three months, even negative in August (-0.34%). Both food and prepared food prices experienced an increase entering the month of Ramadhan.

The second biggest contributor to inflation in Q2 was education, due to the

**Table 4. Contribution of Expenditure Groups to Total Inflation, Jan 2006 – Jun 2006**

	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06
Food	-0.21	0.07	0.29	0.25	-0.12	0.16
Processed Food, Beverages, Cigarettes	0.08	0.06	0.04	0.06	0.06	0.03
Housing and utilities	0.10	0.07	0.08	0.06	0.08	0.07
Clothes	0.04	0.11	-0.01	0.02	0.02	-0.01
Health	0.02	0.02	0.01	0.00	0.01	0.01
Education, Recreation and Sports	0.01	0.01	0.02	0.04	0.28	0.12
Transport, Communication and Financial Services.	0.01	0.03	0.02	0.02	0.00	0.00
<b>TOTAL</b>	<b>0.05</b>	<b>0.37</b>	<b>0.45</b>	<b>0.45</b>	<b>0.33</b>	<b>0.38</b>

Source: BPS

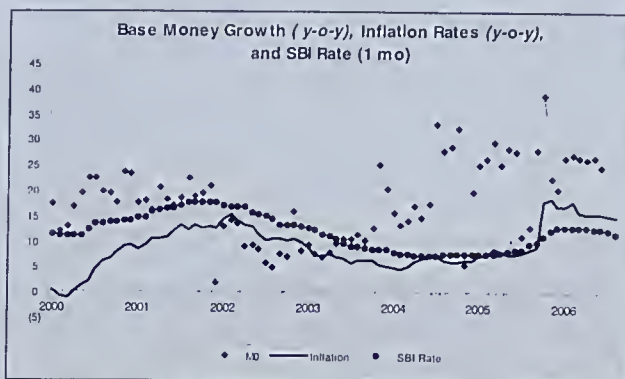


above-average increases in education-related expenses, admission fees, and text books as the new academic year began. To date, from January until September, consumer price index has increased by 4.06% suggesting a 7.5%-8% inflation rate for the year seems surprisingly attainable.

### BI Interest Rate Cut

The central bank trimmed its key rate by 150 basis points in three months, from 12.25% in July to 10.75% in October. The cut was a large reduction, given the BI rate has always been above 12% in the first semester of the year. This has revived hopes of further reductions in the BI rate and a corresponding reduction in the current high commercial borrowing cost that would help the country's recently flaccid economy. The move was taken due to, among other things, easing inflation,

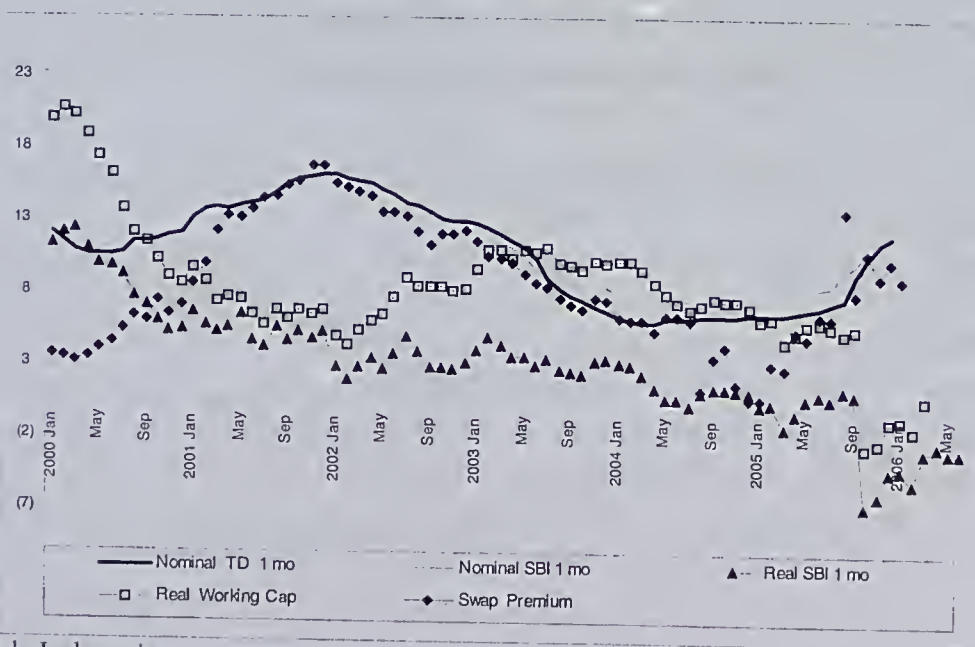
Figure 1. Base Money Growth, Inflation Rates and BI Rate



Source: Bank Indonesia

government's lack of fiscal performance and reduced risks from external factors; most notably in the case of the desisting of any further US Fed interest-rate hike. The BI rate is expected to run at around 11% by year-end, in line with a fall in inflation to the target of around 8% in the same period.

Figure 2. Various Interest Rates



Source: Bank Indonesia

Nonetheless, the real sector would need more aggressive cut that would bring the BI rate down to 8 %, a level similar to last year, thereby lifting them out of the recent slowdown; higher credit costs, for example, led to a 49 % drop in car sales in the first half of the year (GAIKINDO 2006). Moreover, the latest cut rate needs to translate to an immediate reduction in lending rates to facilitate financing. Bank lending grew by only 3.75% during the first half of 2006, a low figure in contrast to 28.1% (y-o-y) in the same period last year. The banks are likely to assess their own commercial interests before starting to cut their lending rates in line with the BI move, thus leading to a time lag.

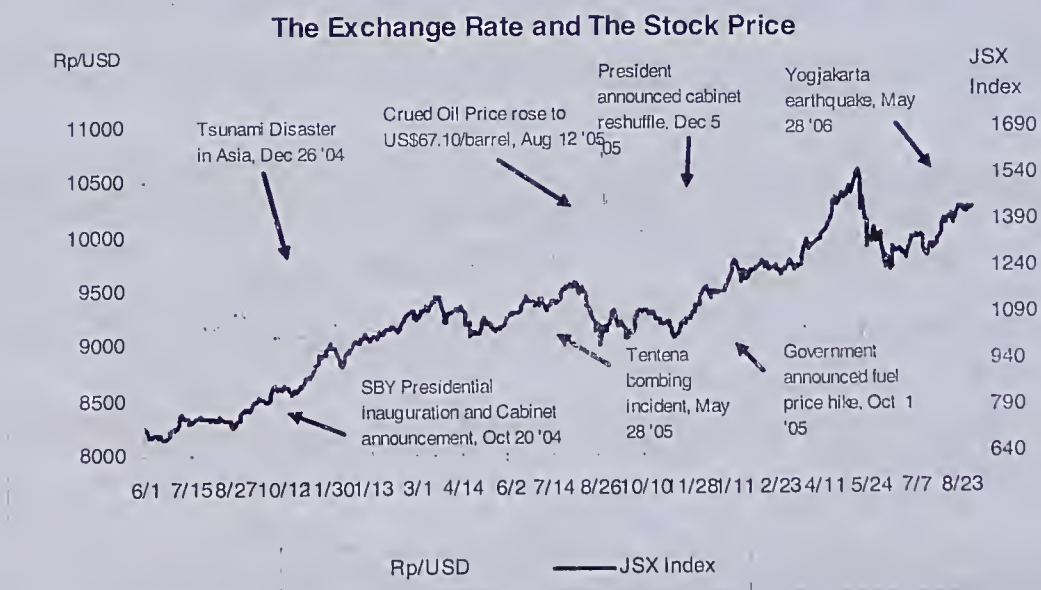
Although inflation was lower, declining interest rate means the economy is still experiencing negative interest rate or -3.30% in August, the lowest since March. Nonetheless, the reduction in the BI rate is expected to boost credit, as the lower

rate would provide more access to credit for business sector.

### Stronger Rupiah and Stock Market

The Rupiah exchange rate recorded a modest appreciation in the second quarter, compared with that in the first quarter. The rupiah hovered around Rp 9,100 to the US dollar, with the monthly average slightly appreciating from Rp 9,131 for July to Rp 9,143 for September 2006 on optimism that expanding economic growth would continue in the second half as a result of the monetary loosening. Key to the exchange rate stability in September 2006 was the improvement in macro-economic indicators, the attractive yields on rupiah placements, subdued risks and reduced pressure from upward movement in US interest rates. Positive development in these factors still provided relatively strong incentive for capital inflows to the domestic financial market, despite some

Figure 3. The Exchange Rate and the Stock Price



Source: Bank Indonesia and CEIC Database



shift in foreign placements from central bank bills to Government Securities and stocks. These factors combined to strengthen Indonesia's international reserves to US\$ 42.1 billion, up from US\$ 34.7 billion last year. Also lower inflation also bodes well for the rupiah's value. As such, rupiah can be expected to level out at Rp 9,200/US\$ toward the end of the year

On the stock market, the Jakarta Stock Index was closed at 1510 at the end of September, the highest since mid-May, after the central bank announced inflation in September would be far-slower than August, indicating the likely further cuts in interest rates. The JSX Index saw renewed gains from foreign capital inflows driven by positive perceptions of the impact of the interest rate cut on the economic outlook. These perceptions also influenced developments on the government bond market, reflected in reduced yield for government securities and continued strong foreign demand. Interest rate-sensitive issues like banks, properties and finance companies well drove the Jakarta Stock Exchange Composite index

## BALANCE OF PAYMENT

Throughout January-July 2006, exports increased by 16.4% from the same period in the previous year. This was mainly due to the increase in the oil and gas exports, which grew at 19.2%, while non-oil and gas exports grew only by 15.6%. Meanwhile, in the same interval, total import grew at 2.42%, with the import of capital and consumption goods rose by 2.7% and 6.9% respectively.

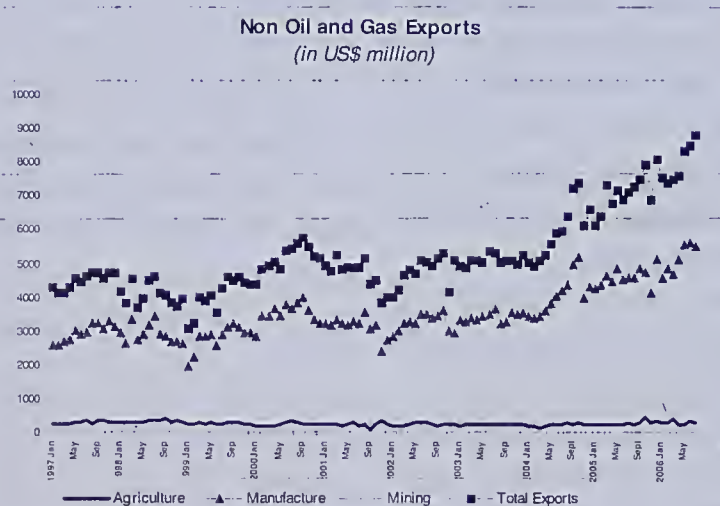
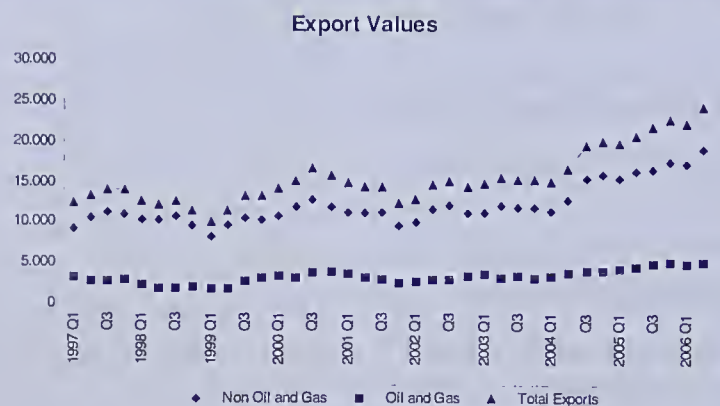
## Export and Import Growth

Indonesia's exports extended their record-high levels for January-July period, growing by 16.4% to US\$55.7 billion from the same period last year. Non-oil gas exports grew 15.6% to US\$43.3 billion, while that oil and gas exports grew by 19.2%. The growth in non-oil exports was driven by the recent rise in the global prices of mining and plantation commodities—rubber mineral fuels, copper, crude palm oil and its derivatives, and paper products—while the growth of manufacturing exports seems to halt.

Japan surpasses the United States to be the main export destination; with export share of 14.6% for the January-July 2006 period (the share of exports to the US is 14.1%). Singapore remains in the third (10.33%), while China gradually becomes one of the most important export destinations (6.7%). On the other hand, the EU is steadily becoming a profitable market for Indonesian exports. Collectively, the European Union countries accounted for 15.11% of Indonesia's total non-oil and gas exports, a higher share compared to the Japan and the US.

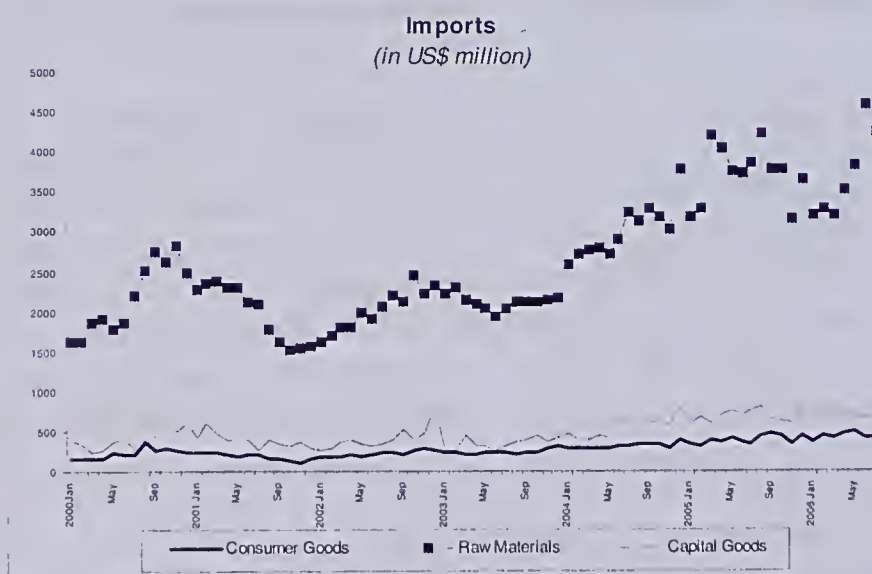
Meanwhile, imports rose to US\$ 34.3 billion with the country enjoying a US\$ 21.5 billion surplus in trade balance. From January-July, total imports grew at 2.42% compared with the same period last year. Negative non-oil imports growth was surpassed by oil and gas imports, which increased by 14.2%. The first seven-month period witnessed a slight increase of capital goods imports by 2.7% indicating a slow but present recovery process of the real sector.

Figure 4. Export Values by Category, Quarterly (Million of US\$)



Source: BPS

Figure 5. Import Values by Category, Quarterly (Million of US\$)



Source: BPS



## FISCAL

### Revised Budget for 2006 and 2007

Along with the president's state address in August, the government announced its 2007 budget. The government targets a deficit of Rp 33.1 trillion (0.9% of GDP), lower than the revised 2006 budget deficit.

In the 2007 budget, the government targets Rp 490 trillion of tax revenue, increasing almost Rp 80 trillion (20%) from 2006. There may be some concerns from the private sector that the government's attempt in increasing tax expenditure may have some adverse effects on the business sector. On the expenditure side, the most significant changes are personnel expenditure and social welfare. Apparently, the government tries to compensate for high inflation and fuel price hike by increasing civil servants salary (by 15%) and other social expenditures.

There is relatively no change in the composition of deficit financing. As in the revised 2006 budget, the government has shifted from bank to non-bank financing, after the introduction of the new government public bonds, Obligasi Ritel Indonesia (ORI).

### Allegedly Outdated Poverty Data

The Central Board of Statistics reported in September an increase of poverty. Based on the March 2006 National Socio-economic survey (Susenas), the number of people below poverty line is 39.05 million or 17.75% of total population. This number

is higher than that in February 2005, which was 35.1 million (15.97%). The number could have exploded to 50.8 million had the cash compensation program following the fuel price increase not taken place.

A few weeks earlier, the President was heavily criticized for citing the old poverty data in his annual speech before the parliament. In his speech, the President used the February 2005 poverty data and claimed that poverty rate has declined from 23.4% in 1999. Some academics and politicians accused that the President manipulated the public by using old figures. They also argued that the President is not supposed to report the poverty trend from 1999 to 2005, since he has been in the office only since the late 2004. The presidential team replied that the President can not use the most updated data since the BPS has yet to release the current one.

The criticism against the President may be just part of political dynamics. Nonetheless, there are some important lessons from the controversy. First, the BPS needs to change its schedule of annual official data publication. The data scheduled to be published in September should be based on the past earlier fiscal year (April to March) so that the president could deliver the budget speech in January. As the fiscal years have been moved to January-December period, the president delivered the speech in August. The data should be published earlier in order for the president to be able to use the most updated data. Second, the BPS needs to make their method of calculating poverty more transparent.

Table 5. Government budget revision

Budget Details (trillion rupiah)	2006 Budget	% of GDP	2006 budget (Revised)	% of GDP	2007 Budget	% of GDP
REVENUES						
Total Revenues	625.2	20.6	651.9	20.9	713.4	20.2
Domestic Revenues	621.6	20.4	648.0	20.8	710.8	20.1
Tax Revenues	416.3	13.7	423.5	13.6	505.9	14.3
Domestic tax	399.3	13.1	408.8	13.1	490.2	13.9
Tax on International Trade	17.0	0.6	14.6	0.5	15.6	0.4
Non-tax revenue	205.3	6.8	224.5	7.2	204.9	5.8
Revenue from Nat. Resources	151.6	5.0	161.9	5.2	151.6	4.3
Profits from State-owned Firms	23.3	0.8	21.7	0.7	16.2	0.5
Others	30.4	1.0	40.9	1.3	37.1	1.1
Grants	3.6	0.1	3.9	0.1	2.7	0.1
EXPENDITURES						
Total expenditures	647.7	21.3	689.5	22.1	746.5	21.1
Current expenditures	427.6	14.1	470.2	15.1	496.0	14.0
Capital Expenditures	63.0	2.1	67.0	2.1	66.1	1.9
Personnel	79.9	2.6	79.6	2.5	98.5	2.8
Purchase of Goods	55.2	1.8	54.6	1.7	72.5	2.1
Debt Interest Payments	76.6	2.5	83.5	2.7	85.1	2.4
Subsidies	79.5	2.6	104.3	3.3	109.7	3.1
Social Welfare	36.9	1.2	37.2	1.2	49.0	1.4
Others	36.5	1.2	43.9	1.4	15.1	0.4
Funds for Regional Autonomy	220.1	7.2	219.4	7.0	250.5	7.1
Primary Budget Balance	54.2	1.8	45.8	1.5	52.0	1.5
Budget Balance	-22.4	-0.7	-37.6	-1.2	-33.1	-0.9
TOTAL FINANCING	22.4	0.7	37.6	1.2	33.1	0.9



Budget Details (trillion rupiah)	2006 Budget	% of GDP	2006 budget (Revised)	% of GDP	2007 Budget	% of GDP
Net domestic financing	50.9	1.7	52.4	1.7	51.3	1.5
Banks	23.0	0.8	14.5	0.5	16.1	0.5
Non-banks	27.9	0.9	37.9	1.2	35.2	1.0
Net foreign financing of deficit	-28.5	-0.9	-14.8	-0.5	-18.2	-0.5
Loan drawdown	35.1	1.2	39.9	1.3	35.9	1.0
Principle debt repayments	-63.6	-2.1	-54.7	-1.8	-54.1	-1.5
MACROECONOMIC ASSUMPTIONS						
GDP Growth (%)	6.2		5.8		6.3	
Inflation rate (% , average)	8.0		8.0		6.5	
3-month SBI rate (% , average)	9.5		12.0		8.5	
Exchange rate (IDR/USD, average)	9,900		9,300		9,300	
Oil price (per bbl)	57		64		65	
Oil production (MBCD)	1,050		1,000		1,000	

Source: Reuters

# REVIEW OF REGIONAL AND GLOBAL DEVELOPMENT

## Regional Turbulence: The Middle East, Southeast and Northeast Asia

*Begi Hersutanto*

### INTRODUCTION

**D**URING the third quarter of the year 2006 (July-September 2006) there have been several recent global and regional developments taking place. Some of them had urged Indonesia to take part in maintaining peace and stability. With regard to the Israel-Hezbollah conflict that resulted in a large number of civilian casualties, Indonesian government has been urged by the Moslem societies in the country to take part in providing aid for the Lebanese people and also to take part in achieving peace and stability among the two conflicting parties.

While the recent conflicts in the Middle East remain hostile, some recent development also took place in the Southeast Asia, and the Northeast Asia region, namely the military coup in Thailand and the prospect of the new Japanese leadership for the region. The military coup in Thailand is rather shocking for many people although the coup, overthrowing Prime Minister Thaksin Shinawatra, took place peacefully with no bloodshed. This phenomenon is driving many people to watch

closely and carefully on the event particularly on what would be the possible implication of this coup not only domestically but also regionally.

In Japan, Shinzo Abe step into his new office as the new Japanese Prime Minister on 26 September 2006 replacing the former Prime Minister Junichiro Koizumi. People are currently looking forward to seeing the future prospect of Japan relations with the region under Abe's conservative political view.

### ISRAEL-HEZBOLLAH CONFLICT

On 12 July 2006, Israel launched military attack against Hezbollah in the Lebanese territory. This military attack was a form of severe reaction as the result of the abduction of two Israeli personnel by Hezbollah in which they demanded an exchange of Arab prisoners in return for their release.<sup>1</sup> Yet, Israel was determined to continue its offensive "with no time limit", despite appeals from the European

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<sup>1</sup>Agence France Presse, 20 July 2006.



Union and the United Nations for a ceasefire. On the other hand, Hezbollah warned Israel that they would continue to strike back Israel with "an arsenal of rockets" for months.

Since the first time Israel launched attack against Hezbollah in the Lebanese territory, it already resulted in a large number of Lebanese civilian casualties.<sup>2</sup> Lebanon's civilian facilities were destroyed by Israeli artillery and also by the Israeli air-strike. The Israeli offensive on Lebanon has killed nearly 330 people and wounded more than 1,000. It has also displaced half a million people and inflicted economic damage estimated at several billion dollars.

The attacks by Israel and Hezbollah that took the lives of hundreds of children had indicated that decades of progress in humanitarian standards had been "rolled back" in modern war, according to a top UN envoy. Given the impact of civilian casualties during Israeli offensive against Hezbollah, the international community was triggered to initiate humanitarian action not only to settle the conflict peacefully but also to help the civilian in Lebanon. The United Nations was then expected to put the spotlight on Israel's attacks when UN Secretary General Kofi Annan gave his first report on the July bombing on Qana in Lebanon, which attracted international outrage.<sup>3</sup>

The United Nations Security Council then ordered Annan to produce a report on Qana when it passed a statement on

the July attack which killed at least 16 children and 12 adults hiding in a residential building. According to the Israeli military, the building was "being used as a hiding place for terrorists." If the information they obtained indicated that civilians were present in the building, they would not carry out the attack. More than 900 people have been killed in Lebanon and the United Nations, quoting its workers in Lebanon, estimates that at least one third of the victims have been children. Radhika Coomaraswamy, the UN special representative for children and armed conflict, said that Israel and Hezbollah had shown "a callous disregard for children" in their attacks.

The Israeli strike to Lebanon had caused a controversy in which George W. Bush had expressed the United States' ambiguous point of view. To some extent US government was implying that the Israeli has the right to do so to protect its own national security.<sup>4</sup> Such ambiguous stance was indeed slowing down the peacekeeping process taking place in the United Nations to prevent hostilities between Israel and Hezbollah, and also to prevent more civilian casualties.

On 11 August 2006 the United Nations called Israel and Hezbollah for ending the hostilities by releasing the United Nations Security Council Resolution 1701. This resolution contains the regulation about the role and the rules of engagement for the UNIFIL as the United Nations Peace-

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<sup>2</sup>Ibid.

<sup>3</sup>Agence France Presse, 6 August 2006.

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<sup>4</sup>CNN.com, 15 August 2006.

keeping Force on the ground to prevent the hostilities between Israel and Hezbollah. The UNIFIL also clearly stated that there will be 15,000 troops to be deployed for this peacekeeping mission.<sup>5</sup>

Since the first day of Israeli offensive to into Lebanese territory took place, the public opinion in Indonesia, is strongly urging the government to immediately take further step not only to condemn Israeli attack to Hezbollah, but also to take immediate action to help the Lebanese and to send Indonesian peacekeeping force into Lebanon. One of the largest Moslem groups in Indonesia, Nahdlatul Ulama (NU) insisted the government to immediately send support and aid for Lebanon which has been under heavy military attack by the Israeli soldiers.<sup>6</sup> In this regard, Hasyim Muzadi, the chairman of the Nahdlatul Ulama, also urges Malaysia together with Indonesia to send peacekeeping force to Lebanon under the umbrella of the United Nations. He also said in his remarks that sending Indonesian peacekeeping force to Lebanon is the sign of sincere solidarity of Indonesia along with the foreign policy of Indonesia.

While Israel agreed upon the implementation of the United Nation Resolution 1701 to end the hostilities, Israel did express its objection and refusal on Indonesian and Malaysian peacekeeping force. The reason of the Israeli refusal upon the peacekeeping forces from the two countries was that the two countries never

have their acknowledgement that Israel is a sovereign and independent state, and never have diplomatic relations with Israel. The Israeli side was taking precaution that Indonesian and Malaysian peacekeeping forces might not be able to perform their duty objectively since Indonesia and Malaysia is rather pro-Lebanon given the fact that Indonesia and Malaysia have the majority of Moslem population. The Indonesian Minister of Defense, Juwono Sudarsono, said that there should be no problem for Indonesia to send its peacekeeping force under the UN umbrella, and Indonesia is firm to send its peacekeeping force.<sup>7</sup> The chairman of the Indonesian parliament also expressed his condolence along with the statement by the Minister of Defense that it is written in the Indonesian Constitution that Indonesia shall neutrally take part in the initiative in maintaining world peace.

Although there were some technical problems in sending the peacekeeping troops which should be resolved first, Indonesian government was firm that the peacekeeping force shall be ready by the end of September 2006. In this regard, Indonesia is committed to send 1,000 troops to Lebanon.<sup>8</sup>

## IRANIAN NUCLEAR PROGRAM

On 11 April 2006, the Iranian President Mahmoud Ahmadinejad claimed that Iran had carried its work on uranium

<sup>5</sup><http://www.un.org/News/Press/docs/2006/sc8808.doc.htm>

<sup>6</sup>*Antara*, 26 September 2006.

<sup>7</sup><http://www.indonesia.go.id/index.php/content/view/1980/705/>

<sup>8</sup>*Kompas*, 2 September 2006.



enrichment processes to higher levels, thereby joining the ranks of "countries that have nuclear technology."<sup>9</sup> Although the precise ramifications of his announcement were not immediately clear that Iran had previously enriched uranium, albeit on a small scale—it heightened concerns among some European governments and the US that Iran sought to produce nuclear weapons. Ahmadinejad maintained, however, that Iran's nuclear program was aimed solely at generating energy for peaceful uses. The United Nations Security Council in March had urged Iran to halt its uranium enrichment activities by April 28, a request that Iran clearly defied in announcing the leap forward in its nuclear program. The council had not specified how or even if it would punish Iran for continuing the enrichment process. Two of its members, China and Russia, had publicly opposed any suggestions to impose sanctions or other punitive measures against Iran. Some observers speculated that Ahmadinejad's highly public declaration meant little in practice, but was intended as a political statement of defiance against international pressure to halt the nuclear program.

The Security Council, seriously concerned that the International Atomic Energy Agency (IAEA) was still unable to provide assurances about Iran's undeclared nuclear material and activities after more than three years, today demanded that Iran suspend all enrichment-related and reprocessing activities, including research and development, and gave it one month

to do so or face the possibility of economic and diplomatic sanctions to give effect to its decision. Adopting resolution 1696 (2006), under Chapter VII, by a vote of 14 in favor to 1 against (Qatar), the Council expressed its conviction that such suspension, as well as full, verified Iranian compliance with the IAEA Board of Governor's requirements, would contribute to a diplomatic, negotiated solution that guaranteed Iran's nuclear program was for exclusively peaceful purposes.<sup>10</sup>

The 15-member body called on Iran to without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which it said were essential to build confidence in the exclusively peaceful purpose of the nuclear program and resolve outstanding questions. It, meanwhile, underlined the international community's willingness to work positively for such a solution and encouraged Iran to reengage with the international community and IAEA. The Council endorsed the proposals of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, for a long-term comprehensive arrangement, which would allow for the development of relations with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear program.

In this regard, the United Nation Security Council was imposing deadline on Iran to suspend its uranium enrichment

<sup>9</sup>*World News Digest*, 13 April 2006.

<sup>10</sup>*US Fed News*, 31 July 2006.

program by 31 August 2006. However, the deadline had already been past, it seems like Iran government remains unwilling to suspend its nuclear program. Numbers of initiatives by the United States and European Union are in progress.

## NORTH KOREA NUCLEAR ISSUE

The United States has put North Korea under quarantine. Pyongyang stands accused of a multitude of crimes, from missile exports and drug smuggling to counterfeiting and money laundering. North Korea has long relied on illicit activities to acquire what it has had difficulty obtaining through legitimate means. Yet, isolating Pyongyang from the global economy could prove counterproductive. The Bush administration began tightening the noose around North Korea in 2002 in the wake of allegations that Kim Jong Il pursued a secret nuclear program.<sup>11</sup>

On 5 July 2006, North Korea fired seven missiles. All of them apparently fell harmlessly into the Sea of Japan, but provoked international condemnation and calls in Japan for economic sanctions against the impoverished communist regime. North Korea remained defiant, with one official arguing it had the right to such launches. The tests and the impatient North Korean attitude raised fears that further firings could follow.

Recently, Japan called for sanctions against North Korea in a UN resolution that would condemn a series of missile

launches by the reclusive communist nation and urge the immediate return to six-party talks on its nuclear program. But China and Russia said they favor a weaker council statement without any threat of sanctions, positions that will make it very difficult for Japan and its key allies, the United States and Britain, to get tough measures.<sup>12</sup> Ambassadors from the 15 Security Council nations held an emergency meeting to discuss a response to North Korea's launch of missiles and defiance of international appeals. A draft resolution circulated by Japan and obtained by The Associated Press would ban the transfer of funds, material and technology that could be used in North Korea's missile and weapons of mass destruction programs.

Under Japan's proposal, the council would condemn North Korea's launch of ballistic missile and would decide that Pyongyang "shall immediately cease the development, testing, deployment and proliferation of ballistic missiles and reconfirm its moratorium on missile launching." It also "strongly urges" North Korea to immediately return to six-party talks "without precondition" and to stop all nuclear-related activities with the aim of completely dismantling its nuclear programs, including both plutonium reprocessing and uranium enrichment.

It seems like North Korea will not suspend its nuclear program and will continue to do so. The policy of quarantine does not seem to work well on dis-

<sup>11</sup>*Asia Intelligence Wire*, 4 July 2006.

<sup>12</sup>*Associated Press Worldstream*, 5 July 2006.



mantling North Korean Nuclear program. The project to develop nuclear missile is only the way for North Korea in attracting attention so that the policy of quarantine imposed on North Korea is lifted up. Until then, the North Korea Nuclear program is likely to continue.

## THE ISSUE OF MYANMAR

ASEAN has a daunting task in dealing with the issue of Myanmar. This issue has been frustrating the other nine members of ASEAN. It seems like it is now close to the turning point that ASEAN could no longer defend Myanmar to the international community. Now the military junta in Myanmar prefers to have the United Nations to deal with the issue instead of with ASEAN.<sup>13</sup>

In some experts' notion, the decision of ASEAN to let an international organization, such as the UN, to deal with the issue of Myanmar was a strong sanction of the country and a positive move to push Myanmar to release Suu Kyi and move forward into democratization. While on some points the argument seems valid, the move also shows that ASEAN has failed to handle Myanmar and that the ASEAN principle of non-interference remains absolute. In this regard, Myanmar seems able to deceive ASEAN foreign ministers into believing the move to let the UN handle the issue is a sanction. The fact is that Myanmar is still an ASEAN member, together with its rights and

duties as an ASEAN country. No matter of what happens it still carries the luxury of being a member of one of the most dynamic groupings in the world. And as long as Myanmar is not suspended then the military junta would not care much.

Furthermore, believing that the UN's involvement will automatically push Myanmar toward democratization is an illusion, because, first, Myanmar will play the same cards it has before to buy time and to frustrate UN officials the way it did with ASEAN. Second, the military junta is too afraid to let Myanmar open up and democratize.

Given this it is unlikely the UN will be able to do much to solve the problem. In fact, ASEAN has more of a capacity to deal with the military junta than the UN, as it has a long history with the country. In this regard, what ASEAN can do is to assure the military junta that despite the process of democratization, they will not lose power and the country will not disintegrate. At the same time, the Myanmar junta should also accept that sooner or later, its own people will rise against them unless they start democratizing the country. This issue remains the current biggest challenge for ASEAN, while at the same time the military junta should also learn a lesson from Indonesia and the Philippines, where Suharto and Marcos were both toppled by their own people because they could no longer stand the military oppression.

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<sup>13</sup>*The Jakarta Post*, 28 July 2006; *Xinhua*, 19 September 2006.

## MILITARY COUP IN THAILAND

On 20 September 2006, there was a bloodless military coup in Thailand which ousted the Thailand Prime Minister Thaksin Shinawatra while he was attending the United Nations General Assembly meeting in New York. The thing made such event phenomenal was that Soldiers in tanks who took over Bangkok in the bloodless coup were greeted with flowers as the city woke in a holiday mood instead of fear.<sup>14</sup> Heavily armed troops who took up positions across the capital, accepted the flowers after a public holiday was declared for all bank and government staff, and schools.

While the coup has been condemned internationally as anti-democratic, there is a widespread feeling of euphoria in large sectors of society. Thailand's new military rulers tightened their grip yesterday, imposing strict controls on the media and banning public gatherings in what they said was a bid to restore order. The coup was led by General Sonthi, the first Muslim army commander in Buddhist-dominated Thailand, defended the coup in a statement on state television, saying that Thaksin had caused an unprecedented rift in society and was guilty of widespread corruption.<sup>15</sup>

British and US editorial pages sang in union Thursday condemning Thailand's military coup no matter how incompetent

or corrupt ousted Thai Prime Minister Thaksin Shinawatra may have been. Asian papers also criticized the military putsch and called for the quick return of democratic institutions, but several suggested that Thaksin's irresponsible leadership partly justified his overthrow.

In this successful bloodless coup, General Sonthi said that a newly established Council for Political Reform had taken action to try to bring back "normalcy" after months of turmoil that saw Thaksin resigning and then winning re-election in a vote that was later annulled. In this regard, General Sonthi said that the Military have already seized the power. In expressing the intention of the new Council of Political Reform which was immediately established after the coup, General Sonthi said that the council has no intention to rule, but to return power to the people as soon as possible. However no date was set for an election yet.

This particular phenomenon in one hand was described as an example that a military coup can be done with zero civilian casualty.<sup>16</sup> However, on the other hand, it can be a very bad precedent in the region that whenever the military believe that the country is not running as it is supposed to be the military can take any necessary action to seize the power. This is also another big challenge for ASEAN in the effort of democratization in the future.

<sup>14</sup>*The Australia*, 21 September 2006.

<sup>15</sup>*Ibid.*

<sup>16</sup>*The Jakarta Post*, 26 September 2006.



## JAPAN 'S NEW NATIONALIST PRIME MINISTER

Nationalist Shinzo Abe, a proponent of a robust alliance with the US and a more assertive military, easily won election as Japan's youngest postwar prime minister, pledging to plow ahead with economic reform, rein in spending and pursue better relations with China. Shinzo Abe, 52, succeeds Prime Minister Junichiro Koizumi.<sup>17</sup>

While many people believe that there will not be much drastically changes in terms of policy-making to what has been done by Koizumi, there have been concerns about the future prospect of the role of Japan particularly in the Japan-China-South Korea in the North East Asia under the new Prime Minister. The issue of visiting Yasukuni Shrine has been the concern lingering among the analysts whether the tension in the Japan-China relations under the former Prime Minister, Koizumi, could be further worsened under the Prime Minister Abe. Chinese President Hu Jintao has refused to meet with Koizumi since last year over his visits to the Yasukuni war shrine, which honors war criminals among Japan's war dead and is considered by critics to be a glorification of Tokyo's past militarism.

Japan's new nationalist prime minister Shinzo Abe pledged to repair tattered relations with China, bolster his country's long-standing alliance with the United States and overhaul the pacifist constitution after cruising to an easy victory Tuesday in a parliamentary vote.

Abe's roadmap to take Japan down a path toward a more robust military and more assertive foreign policy, delineating a fresh direction for a leader who, at 52, is Japan's youngest premier and its first born after World War II. During his remarks in his inauguration as the New Prime Minister, he openly expressed that he will recover Japan relations with the neighboring countries. While Abe envisions a confident Japan that can step from the shadow of decades of postwar guilt, he conceded the country's foreign and security policy will still rest firmly on Tokyo's half-century alliance with the United States.<sup>18</sup>

It is a friendship that Japan increasingly hopes will help counter growing threats from a nuclear-armed North Korea and a burgeoning China. To heal relations with China and South Korea, Abe is "always ready" for top-level talks, Chief Cabinet Secretary Yasuhisa Shiozaki said Wednesday. Shiozaki said Japan is determined to mend the rifts caused by territorial disputes and official visits to a Tokyo war shrine, and called on Beijing and Seoul to work with him toward that goal with talks "as early as possible."<sup>19</sup>

With regard to achieving Japan as a normal country, the conservatives are urging to make Japan a more "normal country." The conservatives want the constitution overhauled to give Japan's military, euphemistically known as the Self-Defense Forces, greater leeway in contributing to international peacekeeping operations.

<sup>17</sup>London Free Press, 27 September 2006.

<sup>18</sup>The Associated Press, 27 September 2006.

<sup>19</sup>Ibid

Changes would also clarify under what situations Japanese forces might come to the aid of an ally under attack.

On the economic and financial policy, Prime Minister Abe initiate significant budget cut and increasing government revenue.<sup>20</sup> He started his policy by reducing his own salary including his cabinet members. On foreign relations, Abe said he would try to soothe relations with Asian neighbors, particularly China, and to pursue a permanent seat for Tokyo on the U.N. Security Council.

#### CONCLUDING NOTES

These recent development are significant to the Indonesia's foreign policy. In

the context of foreign policy-making, the important note is that the international political system cannot be discounted. In this regard, both global and regional international phenomena took place could directly and indirectly affecting Indonesia's interest. In other words, threat to international peace and stability could also mean threat to Indonesia's national security and national interest.

Learning from the above recent regional events, there have been challenges for not only ASEAN but also Indonesia to come up with a good solution in dealing with the problems. The new leadership in Japan hopefully could also contribute in the prospect of regional peace, stability, and prosperity.

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<sup>20</sup>Australia Broadcasting Corporation, 27 September 2006.



# Religious Conflict in Maluku: The Role of Conflict Entrepreneurs

*Philips J Vermonte*

## INTRODUCTION

**A**FTER 32 years in power, the authoritarian New Order regime under the leadership of Suharto in Indonesia finally collapsed in May 1998. Even though the new political stage has opened up hopes for democracy, there remain areas with conflict potential filled with brutal violence, including the areas in the Maluku province. Violent conflict between Moslems and Christians that had been occurring in the Maluku province within the period of 1999 - 2000 had taken thousands of lives.

The chronology of the conflicts itself can be divided into four different stages (Margawati and Aryanto 2000; Bertrand 2004). The first stage, occurring from January 1999 to March 1999, was triggered by a brawl between *preman* (tugs) of a Moslem village (Batumerah) and a Christian village (Mardika). Both villages are located in Ambon, the capital city of the Maluku province. The three months conflict in the first stage took thousand of

lives; more than 100,000 people sought refuge outside the Ambon island. Realizing that the conflict might be spilling over to other Islands of the province, the local and national governments launched some reconciliation initiatives to stop the violent conflict. The last devastating conflict in the first stage occurred in Tual (Kei Island), in Southeast Maluku in March 2000.

The second stage took place after four months of relative peace. In July 1999, a bloody clash between Moslems and Christians occurred in Ambon, the capital city of the province; while at about the same time a big riot also happened in North Maluku. According to Margawati and Aryanto (2000), in the second stage, the two groups became more organized; some militia groups were formed, even involving some children. The young Moslem militia group was called Agas, while the young Christians formed a militia group called Linggis. Meanwhile, adult Moslems joined Laskar Jihad (Jihad Troops) and adult

Christians grouped together in Laskar Kristus (Christ Troops). The second stage occurred from July 1999 to November 1999.

The third stage, lasting from December 1999 to January 2000 was probably the worst episode of the conflict in Maluku. In this stage, the conflict started again in Batumerah-Mardika, the place where the earlier conflict in the first stage began. It then spilled over to many other islands of the Maluku province (Masohi, Seram, Namlea, Buru, Bacan, Obi and Halmahera islands). At this stage, the government increased the reconciliation efforts involving various elements, national and even international (particularly the United Nations, the Dutch, and the British governments).

The fourth stage conflict took place between April 2000 and August 2000. The situation had been relatively peaceful after January 2000. However, conflict erupted again as thousands of people, who claimed to be members of Laskar Jihad from other provinces, came to Maluku. In August 2000, the government was finally able to restore peace and order in the Maluku province.

Many scholars have attempted to scrutinize and identify the root causes of those conflicts. Nonetheless, this article will depart from an assumption that a conflict occurs naturally; instead it is somehow activated and exacerbated by a group of people described as conflict entrepreneurs. This article endeavors to address one important question: how do conflict entrepreneurs mobilize people along primordial lines (in this case, religious identity)?

## LINKING THE CONCEPT OF CONFLICT ENTREPRENEURS AND SOCIAL MOVEMENT THEORIES

The tendency for violent conflict, such as what has happened in some areas in Indonesia, has confirmed to some degree the findings by Ted Gurr, that countries experiencing the early phase of democratization are in high risk of violent conflicts caused by nationalism or ethnicity (Snyder 2000, 20). It is in this context that Indonesia can be an interesting case study given the fact that Indonesia is such a large and extraordinarily diverse country in terms of its ethnic and religious composition.

The analysis attempted in this article is based on the cause of conflict as identified by Kenneth Waltz (1959). According to Waltz, there are two types of causes in any conflict or war situation: *permissive cause* and *immediate cause*. Permissive cause refers to general contexts, such as social or political contexts of a given society that experiences conflict. Poverty and unequal distribution of resources have often been regarded as the root cause of conflict, as it is believed that they increase the level of grievance.

Drawing on the big picture of a conflict, although important, is not sufficient in understanding conflict. Ashutosh Varshney (2002), for example, has shown that two different places that share similar characteristics might experience different paths—one may remain peaceful and the other one may well be trapped in a long protracted conflict. It simply suggests that an elaboration of the big picture of a conflict needs to be complemented by a



ore micro explanation. An explanation of the immediate cause provides an entry point for that purpose. Unfortunately, literature on immediate cause of conflict has not been well developed. Immediate cause consists of event(s) in which long-term grievances reach their boiling point. In such an event rapidly transforms a latent conflict situation into an open and violent one. This article attempts to analyze the conflict in the Maluku province by looking at the immediate cause of the conflict.

The transformation from a latent conflict situation to a violent one suggests the existence of a facilitating factor that precipitates the process. This process is seen as a resultant between grievances of a group of people and greed of another group of people (Berdal and Malone 2000), whether they are perceived or factual ones. At this point, the presence of conflict entrepreneurs as crystallizing agents comes important. Conflict entrepreneurs deliberately take advantage or manipulate the greed and grievances, which in the end will prolong the conflict.

The term conflict entrepreneur that is used in this article emphasizes the capacity of an individual or a group of individuals to mobilize identity of people within their groups against another group through their act of speeches. The act of speeches creates a strong in-group feeling that highlights the 'us-them' identification. Johan Barth Eide (1997) defines a conflict entrepreneur as follows: "*An individual who takes the necessary and deliberate steps to initiate a violent conflict by utilizing a specific situation or in order to gain something through exploitation of new power relationships.*"

Another term, political entrepreneur, is also used to define actors who "specialize in activation, connection, coordination, and representation". Charles Tilly (2003:34) states that:

[Political entrepreneurs] specialize in activating (and sometimes deactivating) boundaries, stories, and relation, as when Bosnian Serb leaders sharpened boundaries between Serbs and their Moslem or Croatian neighbors...they specialize in connecting (and sometimes disconnecting) distinct groups and networks...they specialize in coordination as when those [Serbian] leaders organized joint action...political entrepreneurs specialize, finally, in representation, as when Bosnian Serb leaders claimed to speak for all Bosnians of Serbian lineage.

With such specializations, it can be said that political entrepreneurs are significant in determining the "presence, absence, form, loci and intensity of collective violence" (Tilly 2003, 34-37). The reason is that political entrepreneurs are usually connected with the so-called violent specialists. Every government holds sovereign rights to organize legitimate violent specialists, such as military force and police. However, there are also violent specialists who work outside of government. For example, paramilitary forces, thugs, and guerilla warriors. With regard to collective violence, the connection between political entrepreneurs and violent specialists who work outside the government is a major factor that increases the lethality of a conflict.

It must be noted that the term does not necessarily suggest that conflict or political entrepreneurs seek personal or material benefits out of a conflict in which they are

involved. In some cases, a conflict entrepreneur may emerge in a group of people that desperately needs a leader to defend themselves from an attack, as the group believes, to be launched by another group. Therefore, conflict entrepreneurs might exist for collective purposes. As a result, in a conflict situation, community or religious leaders may well be considered as conflict entrepreneurs. The reason is that in many cases, these leaders, through their act of speeches, are very critical in galvanizing a sense of solidarity among people within their own group as well as arousing a sense of animosity toward the enemy.

In other words, to borrow the term commonly used in the international relations discipline (Lipschultz 1995), these leaders serve as securitizing actors who convince people within their group that other groups are threatening the very survival of their own group. Social movement theorists have also studied how religious institutions, such as churches, can be used as a center of mobilizing networks. Aminzade and Perry (2001, 157) assert that religious and sacred factors are two important ingredients in the development of collective action.

### **Resource Mobilization and Framing Processes Theories**

Scholars who work on conflict studies have noted that the role of elite ambitions needs to be given particular attention to understand how a conflict evolves. The reason is that elites always have distinctive interests that can only be met if these elites are able to invoke primordial supports from particular ethnic or religious groups to which they belong (Horowitz

2000, 111). This raises two important questions: first, what are the factors that enable conflict entrepreneurs to appeal to the masses? Second, how do conflict entrepreneurs mobilize the masses in advancing their cause? Three theories in social movement literature, namely political opportunity structure, resource mobilization, and movement framing, can be utilized in answering the two questions. To answer the first question, resource mobilization theory could be useful.

Resource mobilization theory focuses on the problems of how collective actions become possible among individuals. The early resource mobilization theory focuses on the question why people involve in collective action. According to Tarrow (1998, 15), it is only the most important members, i.e., elites, of a group who have interest in achieving collective good. In other words, elites become important agents behind collective actions.

Meanwhile, recent resource mobilization theorists, such as McCarthy and Zald, focus on the means and resources available to collective actors, such as professional organization and the existence of 'movement entrepreneurs' (Tarrow 1998, 15). Edwards and McCarthy (2005, 177) propose five types of resources on a collective action: moral, cultural, social-organizational, human and material resources.

Legitimacy, solidarity and sympathetic support are some forms of moral resources. Cultural resources may include knowledge to accomplish certain tasks, for example, the capacity of a movement's human resource to produce the movement's repertoire in many forms: internet, music, literature,



magazines, newspapers, films and video. These cultural products "facilitate the recruitment and socialization of new adherents and help movements maintain their readiness and capacity for collective action" (Edwards and McCarthy 2005, 126).

Human resource availability is therefore very important to a movement's cultural resources. An intentional social organization is needed to further social movement goals. Also, it is needed for recruitment and socialization purposes. Finally, a movement will incur costs so that it needs to utilize and expand its network to meet the financial needs. Conflict entrepreneurs, by definition, are actors who try to mobilize the five resources to activate a collective action.

The second question can be addressed by using the theory of framing processes. In this regard, religious symbols and beliefs are acknowledged as important sources of collective framing. The act of speeches carried out by conflict entrepreneurs involves framing processes. The act of speeches might result in mass hostility between two or more groups. Kaufman (1996) argues that 'emotional heat' such as symbols that link grievances and emotional attachment of an identity causes group members to develop negative attitudes toward an out-group. Such negative attitudes, according to Kauffman, are motivated by usually exaggerated fear of extinction (1996, 109). Fear of extinction is a topic that can frequently be found in the act of speeches of elites or leaders who try to delineate a clear boundary marker of their group.

In- and out-group conceptions are commonly used in ethnic mobilization. An

ethnic mobilization is an effort to make clear ethnic boundary markers. Identity claims possess a totalizing character. Klaus Eder (2003, 67) observes that once collective identities clash, "stepping out becomes impossible ...the conflict about identities becomes a battle about the ultimate." Identity claims involve framing processes as they empirically examine how a given situation is defined and experienced. Therefore, according to Snow and Benford (Cadena-Roa 2002, 202),

Mobilization depends not only on the availability and deployment of tangible resources, the opening or closing of political opportunities, or a favorable cost-benefit calculus, but also on the way these variables are framed and the degree to which they resonate with targets of mobilization.

Drawing from his research on a Mexico City social movement organization, Cadena-Roa (2002) argues that dramatic representation of a conflict through framing processes can effectively provoke public response, since it involves emotion. The Barrio urban poor movement in Mexico City has been successful since it took advantage from Mexicans' passion for wrestling by creating Superbarrio, a humorous masked crusader who used the dramaturgy of wrestling for framing purpose. Wrestling, in the Mexican cultural context, is far more popular than any other sport (Cadena-Roa, 2002:208).

It must be noted that framing processes are dynamic and are influenced by, among other things, the social cultural context to which they are attached. In other words, the political opportunity structure is an important factor in the framing processes in

a sense that it can provide socio cultural opportunities and present constraint to collective action frames (Benford and Snow, 2000:628). In the end, a social movement is influenced by pull and push factors. Pull factors are conceived as factors that draw to movement to a particular form of collective action. Meanwhile, a movement will also be shaped by a 'push' of solidarity and collective identity (Tarrow 2003, 201).

### THE OPERATION OF CONFLICT ENTREPRENEURS IN MALUKU

Conflict entrepreneurs use various media to increase 'emotional heat' to mobilize their own group against the perceived enemy. This section attempts to analyze printed and online (internet-based) media used by Moslem and Christian groups during the brutal conflict in the Maluku province. To explain how conflict entrepreneurs generated mass hostility during the religious conflict in Maluku, this section will examine the means through which the act of speeches of some actors from both groups reach the masses. For that purpose, printed and online materials published by some Moslem and Christian individuals or groups during the conflict, particularly by Masariku Network (Christian) and Laskar Jihad (Moslem), will be assessed<sup>1</sup>.

Printed materials to be examined are newsletters published by the two groups and also local religious-based newspapers. However, this article only provides some examples on how these two groups, identified as conflict entrepreneurs in the Maluku conflict, framed their message, which reinforced the in-and-out group feelings. In a situation such as religious conflict, conflict entrepreneurs might prefer to frame and use words that have exact meaning in order to create a black-and-white depiction of their own group as well as of their opponent. David Snow (2004, 384) notes that framing serves several functions; it can "serve as articulation mechanism in the sense of tying together various punctuated elements...and perform transformative function as in the transformation of routine grievances or misfortunes into injustices or mobilizing grievances in the context of collective action."

During the conflicts, the two religious groups often distributed pamphlets on specific occasions that have symbolic meaning for the groups. For example, Laskar Jihad would use the Friday prayer in mosques, while the Catholics and Protestants would do their part during Saturday or Sunday sermons. Also, each group would presumably publish their own version of violent incidents, accusing their opponents of manipulating information. The two groups, in fact, believed different stories regarding the conflict. An ICG Report (No.10, December 2000) states the following:

For Christians these stories centered on national plot to introduce Islamic law and wipe them from the province. For Moslems, the focus was on an international

<sup>1</sup>To my knowledge, it was Brigitte Brauchler who firstly researched the utilization of internet by Masariku Network and Laskar Jihad during the conflict. See her paper titled "Cyber democracy and the Moluccan Conflict" (2002).



conspiracy to create a Christian state in the heart of Indonesia.

As far as printed mass media is concerned, it is acknowledged that wars are partly what media make them. Media reporting on conflict in many cases imply that violent acts and killing are acceptable (Allen and Seaton 1999, 3). In the context of the conflict in Maluku, there are two local newspapers that need to be mentioned: *Suara Maluku Daily* (viewed as a Christian media) and *Ambon Ekspres* (viewed as the media of the Moslems).

"The war" in Ambon also occurred in the Internet. Many websites popup when the conflict was at its peak. Both sides, through the websites, provided "their own version of the conflict, photos from the battlefield, and the traumatic stories of atrocities" (ISAI 2004, 38).

Both groups also used the Internet to mobilize support and channel their messages (Brauchler 2002). It took the forms of mailing lists and also the creation of websites. During the four stages, a lot of websites with content concerning the Maluku conflict appeared on the Internet. Some website, such as *Ambon Berdarah* (Ambon is Bleeding) Online<sup>2</sup> that belongs to a Christian group, contained vulgar photos of the dead bodies of the victims of the conflict. Websites maintained by various Moslem groups were also available. Most of these websites, not surprisingly, claimed to provide 'first hand

information' (Brauchler 2002, 4). Masariku has a mailing list<sup>3</sup> that is still active, while Laskar Jihad has both, a website and a mailing list<sup>4</sup>.

## INDONESIA'S POLITICAL OPPORTUNITY STRUCTURE

Soon after Suharto's resignation in May 1998, religious conflict intensified in the country. In November 1998, a riot with religious nuance erupted in Ketapang area of Jakarta, the capital city. The riot was triggered by an exchange of arguments followed by a fight between a local Moslem and a Christian Ambonese over the right to control parking lots at an entertainment center. In the following day, an Ambonese gang attacked local people living in the surrounding area of the entertainment center. It triggered angry reaction from the local Moslems. Very quickly, a riot broke out during which more than twenty churches were destroyed and several people were killed and wounded (Bertrand 2004, 104).

In Kupang, the capital city of the Nusa Tenggara Timur province, local Christians gathered to mourn what had happened in Ketapang a few days earlier. The mourned Christians then held a rally that became uncontrollable. Moslems' properties were

<sup>3</sup>The archive of the Masariku mailing list is accessible at <http://groups.yahoo.com/group/masariku> (the author accessed the website on 10 February 2006).

<sup>4</sup>The archive is also accessible at <http://groups.yahoo.com/group/laskarjihad> (the author accessed the website on 10 February 2006).

<sup>2</sup>The URL address is <http://www.geocities.com/Iokkie2005/index.htm> (the author accessed the website on 10 February 2006).

destroyed, including mosques. The Christians, who constitute a majority in Kupang, also attacked various properties belonging to Moslem migrants. As a result, Moslem migrants fled the city and came back to their province of origins. Soon after hundreds of Moslem migrants fleeing Ketapang arrived in Ujung Pandang, the capital city of South Sulawesi province, a Catholic church was burned down (Bertrand 2004, 104).

These incidents increased the sense of uncertainty felt by Indonesian Christians since the 1990s. In this regard, changes in the policies of the New Order government in which Suharto started to seek new support from the Islamic constituencies in the 1990s need to be mentioned. The government sponsored the establishment of the Association of Indonesian Muslim Intellectuals (ICMI), which then became very influential in the country's political dynamic (Heffner 1993). In fact, Suharto's handpicked successor, B.J Habibie, was the Chairman of ICMI. In the words of Arief Budiman (1994, 232):

Many of [ICMI] members became members of parliament and some became cabinet ministers. A daily newspaper, *Republika*, was founded, an Islamic bank, Bank Muamalat, was established, and CIDES, a Muslim body for intellectuals and academicians, started to operate. Very quickly, this middle class Muslim organization has taken over the dynamic of the Islamic movement in Indonesia.

In Maluku, Suharto appointed Moslem governors for the first time. The shift in political power at the national level certainly created a new political dynamic at the local level. In the Maluku province, Moslems rose to the higher level in bu-

reaucracy. Akib Latuconsina was the first Muslim Ambonese governor since 1968. Akib Latuconsina, who served as governor from 1992 to 1997, was the chairman of ICMI's Maluku and Ambon branches.

Ambonese Protestants were anxious about this new development especially when it became discernible that Akib Latuconsina, as well as his successor Saleh Latuconsina who governed throughout the period of conflict, appointed many Moslems to the top level positions in the bureaucracy. Van Klinken (2001, 18-19) asserts that it created grievances among the Ambonese Protestants, which made them believed that Christians would be soon set aside from the civil service.

On the other hand, the Moslems believed that the Christians would try to keep their privileges in the province. Grievance, and to some extent greed, had been at play before the actual conflict broke out in January 1999. It provided a fertile ground for a religious conflict. Suffice it to say that the change of policy produces new power relations between the Moslems and Christians, both at the national and local levels.

It also has to be mentioned that Indonesia has undergone regional decentralization program since 1999. The democratic transition, which was started in 1998, provides an impetus for the decentralization process in Indonesia. With the experience of a long period of authoritarian rule, 32 years of the New Order government, it is logical for the new government to adopt the decentralization program, which is seen as a means to devolve deeply centralized power maintained by the previous



authoritarian regime.

In North Maluku, which was also affected by the religious conflict, expectation among local elites, particularly the sultans, to acquire a new leadership role made possible by the decentralization program led to a harsh rivalry between the Moslem and Christian sultans, in Ternate and Tidore area (Nils Bubandt 2002; Tomagola 2000, 25-28). With this rivalry that came as a result of the decentralization policy, the case of North Maluku shows that a new political context may turn out to be a potential source of collective violence.

### Resource Mobilization and Framing Processes

As mentioned earlier, the bloody conflict in Maluku, which started on 19 January 1999, was triggered by a quarrel between an Ambonese Christian and a Bugis (Moslem) migrant. It was then defined in religious terms marked by the burning of churches and mosques. The International Crisis Group (ICG) Report gives an interesting observation, in which it points out that during the conflict, the Ambonese Moslems "allied themselves with co-religionists, such as Moslem migrants from Bugis, Buton and Makasar all of which are ethnic groups from South Sulawesi." Meanwhile, in another devastating conflict that occurred exactly on the same day in West Kalimantan, Malay Moslems allied with non-Moslem Dayaks to kill Madurese Moslem migrants (ICG Report 2002, 2)

The alliance between Ambonese Moslems and the Moslem migrants illustrates how the sense of solidarity can

emerge. The Ambonese Moslems might need the Moslem migrants who happened to be economically better off. On the other hand, the migrants might also need the local Ambonese Moslems for protection against local Ambonese Christians that felt threatened by the increasing economic power of the Moslem migrants.

The Moslem and Christian groups became more organized in the second stage of the conflict that started in July 1999. As noted by the ICG Report (February 2002), both groups were equally strong during the initial stage of conflict. However, in mid 2000, a Java-based radical Moslem group sent thousands of fighters to Ambon to put the Christians into defensive position. These fighters received military training before they were sent to the troubled province. They were also often equipped with standard military weapons. Laskar Jihad was reportedly supported by a sympathetic element within the Indonesian military. However, it was also reported that some police units supported the Christians (ICG Report February 2002).

Laskar Jihad, however, believed that it was the Christians who enjoyed the full support from the security apparatuses. One email in Laskar Jihad's mailing list<sup>5</sup> states that:

The conflict between the White (Moslem) and the Red (Christian) groups continues in almost every place in the Ambon Island.

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<sup>5</sup>This email can be found at <http://groups.yahoo.com/group/laskarjihad/message/10> (the author accessed the email on 5 April 2006).

The Red is helped by the security apparatuses and supplied with standard weapons. They tried to provoke us to attack them, but we're only defending ourselves with traditional weapons.

One thing is obvious: the failure of the police and armed forces to maintain their impartiality explains why the conflict was prolonged and became so violent.

It is interesting to note that the mailing list of Laskar Jihad was first set up in mid-2000,<sup>6</sup> when Laskar Jihad started to send the fighters to Maluku. It means that Laskar Jihad functioned both as, in Tilly's terms, a political entrepreneur and a violent specialist. In addition, the mailing list of Laskar Jihad was set to be a one-way communication. As a result, there were no discussions, since the member of the mailing list could only receive messages, but could not send.

In the very first email, Laskar Jihad tried to convince its audience that the Christians were part of the international conspiracy by stating that the United States (US) supplied the Christians with sophisticated weapons.<sup>7</sup> In another email, Laskar Jihad also mentioned that Australia helped the Christians with weapons.<sup>8</sup>

In addition, the website of Laskar Jihad was also used as a means to spread the

message. In the website, Laskar Jihad did not hesitate to frequently use the words such as *perang salib* (crusade) or *perang sabil* (religious war) in referring to the situation in Maluku. It was also clearly stated that the goal of Laskar Jihad was the Islamization of the Maluku province, in particular, and the application of the Moslem law throughout Indonesia (Brauchler 2002, 9).

According to Rustam Kastor<sup>9</sup>, the conflict in Maluku occurred because Maluku's Protestant churches and some secular parties were collaborating to revive the old Republic of Southern Maluku (Republik Maluku Selatan - RMS). In his book entitled *Facts, Data, and Analysis of RMS-Christian Conspiracy in Destroying Moslem in Ambon, Maluku*, Kastor frequently referred to the RMS as the Republik Maluku Serani, with Serani being a local term for Christian (Noorhaidi Hassan 2003, 7). The Christian newspaper, *Suara Maluku*, attacked Rustam Kastor and accused him of spreading big lies through the book. *Suara Maluku* published two long articles criticizing Rustam Kastor's book.<sup>10</sup>

Laskar Jihad also frequently stated that the purpose of their presence in Maluku was to defend the national unity and territorial integrity of Indonesia. Similar to

<sup>6</sup>The first email message that can be found in the yahoogroups' archive was dated on 25 May 2000.

<sup>7</sup>This accusation can be read in an email in the Laskar Jihad's email archive on the Yahoogroups website.

<sup>8</sup>See <http://groups.yahoo.com/group/laskarjihad/message/10> (the author accessed the website on 10 April 2006).

<sup>9</sup>Rustam Kastor is an Ambonese and was once a high rank officer in the Army military command in Maluku.

<sup>10</sup>The two articles can be found at <http://www.geocities.com/alifuru67/y2000x/smaluku0206y2k.htm> (the author accessed the website on 27 February 2006).



Rustam Kastor, Laskar Jihad also held a belief that the Christians attempted to erect an independent Christian state in Maluku by reviving the RMS. On their part, the Christians, or at least the most provocative Christian website (Ambon Berdarah Online), rejected the accusation, but did not entirely deny the existence of the RMS separation movement. In the website of Ambon Berdarah Online, an old photograph showing a moment when the RMS was proclaimed can be found. The caption of the photo states "When it was proclaimed in 1950, the RMS (Republik Maluku Selatan) was supported by both the Moluccan Christians and Moslems."<sup>11</sup>

To mobilize people and to show how the Moslems were attacked by the Christians or vice versa, both sides also used VCDs. On the Christian side, two VCDs titled *Tragedi Maluku* (The Maluku Tragedy) and *Ambon Berdarah* (Ambon is Bleeding) were massively circulated in 1999. The VCDs contained scenes of church burnings and also scenes that showed the failure of the armed forces to keep their impartiality (ISAI Report 2004, 38).

On the Moslem's side, there were more VCDs produced and circulated (ISAI Report 2004, 38). The titles of the VCDs, to name a few, were *Halmahera Berduka* (Halmahera Mourns) and *Maluku Berduka* (Maluku Mourns). Not only circulated in the Maluku province, these VCDs reached audience across Indonesia. The "emotional

heat" had accordingly increased, which made it even difficult for both sides to end the violent conflict.

Printed media also trapped in the conflict and failed to provide objective reporting to their readers. Moslem and Christian newspapers reported their own versions of various incidents and in many instances included reports that would certainly create the image about the cruelty of the other group. For example, *Suara Maluku* that was generally seen as a Christian newspaper provided the following report:

Before that, since very early in the morning until late in the afternoon of 20 January 1999, thousands of Moslems from many villages in Leihitu area had attacked, massacred (including pregnant women), burned, bombed and destroyed [Christian] villages in Benteng Karang, Hunuh/Durian Patah, Nania and Negeri Lama.<sup>12</sup>

These lines simply show that the media, of both sides actually, contributed to the conflict by directly or indirectly arousing the emotional feeling of the readers.

## CONCLUSION

This article has shown that in the case of the religious conflict in Maluku, the political opportunity structure, resource mobilization and framing processes are three concepts that cannot be separated. The democratic opening in Indonesia

<sup>11</sup>The photo can be accessed at <http://www.geocities.com/ambon67/noframe/statisticsnf.htm> (the author accessed the website on 26 February 2006).

<sup>12</sup>Archive of *Suara Maluku*, accessed through Ambon Berdarah Online at <http://www.geocities.com/alifuru67/y2000x/smaluku0206y2k.htm> (the author accessed the website on 2 April 2006).

created a shift in the power balance tilted toward the Moslem side, which created a sense of insecurity among the Christians. The decentralization program that has begun since 1999 also provided new opportunities for local elites (sultans) in Maluku to regain their leadership role. Although the decentralization has been seen as a part of the country's democratization processes, in Maluku it revived the politics of identity, which led to conflicts.

The emergence of democratic Indonesia also enabled various groups to surface and to raise their voice, such as Laskar Jihad or internet-based group, such as the Masariku Network. Although it can be seen as a good sign of the formation of democratic society, it also means that groups that advocate exclusivist idea can also emerge and spread intolerant attitude.

This article has also identified the push and pull factors that caused the violent conflict. Conflict entrepreneurs in the Maluku conflict found that both printed and online media were useful in spreading their framed-messages. Conflict entrepreneurs formulated their own version of the bloody conflict, with regards to the chronology of particular incidents, photos of the brutality of their opponents, and also traumatic stories of atrocities by the other group. These then increased 'the emotional heat' that exacerbated the conflict. As a result, the conflict prolonged and became more devastating. Meanwhile, it reinforced the in-group and solidarity feeling within each group.

From the resource mobilization perspective, conflict entrepreneurs in the

Maluku conflict were also successful in mobilizing their networks. The Ambon Berdarah Online, for example, supplied information for various Christian groups, in and outside the province. It even updated information for many Christian groups outside Indonesia. Interestingly, the Ambon Berdarah Online received information from various groups, including newsletter churches, national and international non-governmental organizations (NGOs) and from other sources. It served as a hub for various groups, confirming the definition of conflict entrepreneurs and political entrepreneurs made by Eide and Tilly used by this article.

There are some areas of this article that can be strengthened by further researches. This article does not sufficiently discuss the role of the state in the conflict. Although it touched upon the failure of the state security apparatuses in maintaining their impartiality during the conflict, the article does not address why such a failure occurred.

Another caveat is that the groups and individuals discussed in this article cannot be treated as the representative of all Moslems or Christians. In fact, the conflict finally ended partly because there were many actors, from both groups, who persistently tried to initiate a peace process. They sometimes worked together and were being accused by the members of their groups as traitors, for working with the enemy. These peace advocates can be researched by using the same framework. The peace advocates also framed their messages, wrote newsletters, created website, used printed media in order to



change the culture of violence in Maluku into the culture of peace.

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# The Mekong River: ASEAN and ADB Roles

Henry Sackler

*THE ASEAN initiative to develop the Mekong Basin manifests our resolve to come together and implement massive projects whose scale is beyond the capacity of a single nation to underwrite. It is a mighty economic venture with profound social and cultural ramifications...From time immemorial our rivers and seas have been our means of transportation and served as the veins for our thriving trade and culture. Today we are revitalizing the ancient modes of doing things and transforming them into sophisticated and powerful economic, social and cultural engagements for today and the years to come.<sup>1</sup>*

## INTRODUCTION

The Mekong River, the twelfth longest river in the world, has been a source of life for the countries in mainland Southeast Asia through which it runs. Beginning in

China, and surging through, Myanmar, Laos, Thailand, Cambodia, and Vietnam, the Mekong provides an estimated 70 million inhabitants with fish for food and water for subsistence farming. It has been estimated that no less than eight of ten of those living in the Mekong Basin depend on it for livelihood.<sup>2</sup> In the case of Cambodia, 70% of its population's annual animal protein intake is derived from fish caught in the Mekong. In Vietnam, more than 50% of its GDP is generated within the Mekong Delta, through the cultivation of rice on its channels or banks.<sup>3</sup> Accordingly, the Mekong River has been cited by a variety of bordering states as a great source of energy and most recently an avenue for trade, connecting a burgeoning China with its lower riparian Southeast Asian mainland states.

The indispensable nature of the Mekong River has greatly shaped the history of relations among its riparian states. Marked

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<sup>1</sup>Anwar Ibrahim, Malaysian Prime Minister, paper presented at The Ministerial Meeting on "the ASEAN-Mekong Basin Development Cooperation," Kuala Lumpur, 17 June 1996, at <http://ikdasar.tripod.com/anwar/96-13.htm> as accessed on. 8 December 2005

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<sup>2</sup>Jacob Hook, *Social Atlas of The Lower Mekong Basin* (Phnom Phen: MRC, 2003), 1.

<sup>3</sup>Ibid.

by a legacy of institutionalism, the first attempts to develop a form of governance on the Mekong River dated back to 1957 with the establishment of the Mekong Committee. A brainchild of the United States during the Cold War with its four members, Cambodia, Laos, Thailand, and Vietnam (South Vietnam), the Mekong Committee was heavily dependent on American aid and guidance. Shaped by efforts to promote peace, the Mekong Committee aimed at improving relations among its riparian nations through the building of dams. However, hindered most notably by the Vietnam War, and latter instability associated with Cambodia, Mekong Committee plans during the course of the Cold War were often thwarted.<sup>4</sup> Recently, the Mekong Committee has been given new life under the auspices of the Mekong River Commission (MRC). Furthermore, regional institutions like the Asian Development Bank (ADB), and the Association for Southeast Asian Nations (ASEAN) have facilitated greater cooperation by stressing among Mekong River states, economic improvement and regional integration.<sup>5</sup>

While these new forms of cooperation have spurred subsequent growth, the Mekong River has also experienced certain detriments resulting from cooperation and economic development, particularly in light of China's rise. Determined to meet the

needs of modernization and increase hydropower for its "Western Region Development Strategy," China has embarked on major dam developments along the upper regions of the Mekong River.<sup>6</sup> Having already completed two dams, with two more under construction, and four to be built in the next decade, China's damming has greatly threatened the quantity of water and resources of fish, which lower Southeast Asian mainland states so heavily rely upon. Efforts to increase the navigability of the Upper Mekong by China have also threatened its flow as well. Dr. Robyn Johnston of the MRC noted in 2004 that, "The Mekong River was the lowest it has ever been," and Thai officials have recently claimed the unusual volatility of the river's flow has resulted from Chinese developments on the Upper Mekong.<sup>7</sup>

With this background in mind, this paper first examines the roles of the ADB and ASEAN in shaping the current and future policies of the MRC in the Southeast Asian mainland. This focus will include the rise of the Greater Mekong Sub-Region (GMS) resulting from ADB efforts, in addition to the integral importance of ASEAN following the introduction of the majority of mainland Southeast Asian states to its ranks. Much of the recent policies of the ADB and ASEAN, like China, have sought economic improvement and integration. This paper will examine

<sup>4</sup>Milton Osborn, *River at Risk: The Mekong and The Water Politics of China and Southeast Asia* (New South Wales, 2004), 15-17.

<sup>5</sup>Abigail Makim, *The Changing Face of Mekong Resource Politics* Sydney: 2002. 6-7.

<sup>6</sup>G. McCormack, "China, In The Dark, Where Will The Gigawatts Come From?" *The Economist* 27 March 2004, 47-51.

<sup>7</sup>Macan-Marker, Marwaan. "Mekong Lower Fears Higher," *Asia Times Online* 12 March 2004 at <<http://www.atimes.com>>.



ADB and ASEAN's vision as well as the tangible manifestations of their policies.

Second, this research paper will also consider whether these economic policies are sustainable. As indicated above, environmental hazards loom large, resulting from regional development plans driven not only by China, but also by the ADB and ASEAN. In this respect, whether economic and environmental sustainability can be achieved is an essential matter for the current and future prospects of the Southeast Asian mainland region, the various independent states constituting it, and more importantly, the greater institutions shaping it.

## INSTITUTIONAL THEORY AND SOUTHEAST ASIA

In analyzing these issues, particularly the actions of ASEAN and ADB, this paper will draw primarily from the institutional theory of international relations. According to the institutional theory, institutions can take many forms from nongovernmental organizations, or inter-governmental organizations like ASEAN, as well as international regimes and formal conventions. While specific definitions may vary by discipline, according to institutional theory, institutions can be broadly described as establishing "the rules of a society or of organizations that facilitate coordination by helping them form expectations, which each person can reasonably hold in dealing with others. [Institutions] reflect the conventions that have evolved in different societies regarding the behavior of individuals and

groups relative to their own behavior and the behavior of others."<sup>8</sup>

Institutional theory also argues that: 1) states are the primary actors in world politics; 2) states are rational in the sense that they assess their strategic situations in order to maximize gains; and 3) states pursue their interests. Unlike neo-realism, however, which views the international environment as one characterized by anarchy and conflict, institutional theory suggests that institutions through the sharing of information, can reduce the anarchy and conflict assumed by neo-realist theorists. As Koehane has reflected, states construct institutions in an attempt both to improve their information about others and their own credibility, thus enabling them to ameliorate the dilemmas and defensive stances dictated by neo-realism's hard core.<sup>9</sup>

In resurrecting a form of governance on the Mekong River following the end of the Cold War, this paper through institutional theory suggests that institutions like the ADB and ASEAN have created norms and principles as stated above, which have facilitated cooperation on the Mekong River. However, this paper also suggests deriving from liberal theory that the failure of institutionalism may help explain the existence of conflict among those state actors and institutions on the Mekong River. That is, no formal institution

<sup>8</sup>Hayami Yujiro, *Agricultural Development: An International Perspective* (Baltimore, MD: Johns Hopkins University Press.), 94.

<sup>9</sup>Robert Keohane, *Institutional Theory, Endogeneity, and Delegation* (Cambridge, MA: Harvard University Press, 1999).

currently governs the relations of ASEAN and China on the Mekong River, relations over the Mekong River, which can be characterized as frequently tenuous. Similarly, only limited institutional co-operation has emerged between the ADB and China. Generally, with these aspects in mind we can look at the facts.

## THE ADB AND THE MEKONG RIVER

The Asian Development Bank (ADB) was established in 1966 and is headquartered in Manila, Philippines. It is a multilateral development finance institution, which according to its charter functions "to utilize the resources at its disposal for financing development of the developing member countries in the region, giving priority to those regional and sub-regional, as well as national projects which will contribute most effectively to the harmonious growth of the region as a whole."<sup>10</sup> Its focus encompasses social and economic development, good governance, environmental protection, and regional cooperation. And it provides a variety of instruments to accomplish its task from loans and technical assistance to grants and equity investments. In 2004 alone the ADB approved loans worth US\$5.3 billion, most of which went to the public sector, with China being the largest borrower followed by India, Pakistan, the Philippines, and Vietnam.<sup>11</sup> Focused on the

Mekong River, the ADB has been chiefly concerned with its potential for hydropower in economic and social development. As a result, the majority of ADB policies have focused on the construction of dams, and more importantly, energy harnessed from them.

In this respect, the ADB has often shaped the policies of states on the Mekong River, particularly in the case of China. While not contributing funds to the construction of dams on the Mekong River by China, the ADB through its Greater Mekong Subregion program (GMS) has encouraged development of Chinese dams by financing transmission lines, carrying power from Chinese energy facilities on the Mekong River to other Southeast Asian mainland states. This financing has reflected the ADB's general commitment, particularly in light of the 2002 Ink Landmark Power Pact, to the development of a regional power grid.<sup>12</sup> In furtherance of its goals, the ADB has recently considered a report by the Norwegian consulting firm Norconsult, recommending a regional power grid in mainland Southeast Asia fuelled exclusively by the hydropower of 12 dams, already built or planned, in Burma, China and Laos.<sup>13</sup> Generally, ADB's efforts through GMS to exploit the

<sup>10</sup>Asian Development Bank, *Agreement Establishing the Asian Development Bank*, ADB Charter: 1966. Article 2.

<sup>11</sup>Asian Development Bank, "What Does ADB Do?" 8 December 2005 at <<http://www.adb.org/About/FAQ/activities.asp>> as accessed on 9 December 2005.

<sup>12</sup>Asian Development Bank, "GMS Governments Ink Landmark Power Pact," 3 December 2005 at <<http://www.asiadevbank.org/Publications/title.asp?id=G&s=0&wp=3>>, as accessed on 8 December 2005.

<sup>13</sup>Mekong Info Website, "Norcoconsult and China," 8 December 2005 at <[www.mekonginfo.org](http://www.mekonginfo.org)>.



energy potential of the Mekong River, have recently shaped and will continue to shape the future of the Mekong, both economically and socially.

The ADB through GMS has also directly influenced Laos' water policies on the Mekong River through various related hydropower projects. By providing funds for the financing of Laos' Theum Hiboun Dam on a tributary of the Mekong, the ADB has helped provide Laos, one of the poorest nations in the Asian-Pacific, with a 210-megawatt project, which has benefited the country in a variety of ways. The \$270 million dam is Laos' first major public-private hydropower venture, and has earned Laos \$95 million over the past 5 years through dividends, royalties, and taxes. The project has quintupled the country's energy exports between 1997 and 2001, and according to Asian Development Bank's website has provided a variety of Laos villages with better access to electricity and an improved infrastructure in the form of better roads and general state services. Thailand has even recently agreed to sign a long-term power purchase agreement with Laos, through the inexpensive and reliable generation of energy from the Theum Hiboun Dam.<sup>14</sup> As Paul Turner, Country Director of the ADB's resident mission director to Laos, has remarked, "The project proves that the Lao PDR can tap its natural resources to derive important foreign exchange earnings

to finance much needed social and economic development projects in the country."<sup>15</sup> Like its recent consideration of projects on the Upper Mekong, ADB's policies on the Mekong River have been marked by hydropower considerations for economic and social development.

While environmental consequences and questions of sustainability do exist, particularly resulting from damming-related detriments, and while such development does threaten the long-term objectives of the ADB and the livelihood of interested Southeast Asian mainland states – issues which will later be discussed – the systemic involvement of the ADB on the Mekong River has for the most part, facilitated cooperative relations among the Southeast Asian riparian states. That is, since the end of the Cold War, a river once characterized by frequent conflict has experienced relative peace.<sup>16</sup> Institutional theory may explain this phenomenon. In creating the Greater Mekong Subregion program (GMS) in 1992, the ADB not only helped fill the systemic vacuum of governance over the Mekong River and the region as a whole, but the ADB in establishing GMS also helped created a mode of shared values and general coordination over the Mekong River, particularly with regard to hydropower generation. Milton Osborne has underscored the underpinnings of peace in the region in suggesting the institutional implications of the ADB's Greater Mekong

<sup>14</sup>Omana Nair, *Power for the People*, 28 July 2002. [http://www.adb.org/Documents/Periodicals/ADB\\_Review/2002/vol34\\_6/power\\_people.asp](http://www.adb.org/Documents/Periodicals/ADB_Review/2002/vol34_6/power_people.asp) as accessed on 8 December 2005

<sup>15</sup>Ibid.

<sup>16</sup>Helga Haftendorn, "Water and International Conflict." *Third World Quarterly* 21, no.1 (2001): 51-58

Subregion program: "While GMS does not have major regulatory functions, GMS serves as a body in which agreements can be negotiated through shared values."<sup>17</sup>

Generally, in explaining how the ADB has shaped recent policies of those Southeast Asian states on the Mekong River, one can point to its engagement with China on the Upper Mekong, and its recent emphasis through GMS on hydropower development. As manifested through China and Laos, the damming of the Mekong, and the construction of a regional power grid provides an important source as well as center for energy distribution in the Southeast Asian mainland. While significant environmental and institutional factors provide obstacles to the success of these long-term designs, as later discussed, the current policies of the ADB have brought general growth. In comparison to the decades of war experienced by various Southeast Asian mainland states, they have also brought peace.

## ASEAN AND THE MEKONG RIVER

Like the ADB, the Association for Southeast Asian Nations (ASEAN), has also been involved in shaping the policies of riparian states along the Mekong River. ASEAN was established in 1967, and according to its bylaws, functions to "accelerate economic growth, social progress, and cultural development in the [Southeast Asian] region through joint endeavors...to strengthen the foundation for a prosperous and peaceful community of Southeast

Asian nations."<sup>18</sup> ASEAN's most notable successes have been in its push for regional economic integration through trade and investment liberalization, as well as the effective creation of countless other institutions ranging from ASEAN University Network to ASEAN Earthquake Information Center.<sup>19</sup> ASEAN's recent focus on the Mekong River has been characterized, like the ADB, through institution building, particularly in laying the framework for the ASEAN-Mekong Basin Development Cooperation program. ASEAN's recent involvement on the Mekong River has also been characterized by its cooperation with the ADB's Greater Mekong Subregion program (GMS). The ADB's policies on the Mekong River have had a noticeable impact on the ground. While ASEAN's recent institutionalism has remained relatively visionary in comparison, recent progress has been made as well.

In shaping the current and future policies of Southeast Asian mainland states on the Mekong River, ASEAN has recently laid a framework for the ASEAN-Mekong Basin Development Cooperation program. Realizing the great economic potential of the Mekong Basin and driven by the desire to cooperate in its development, this 1996 framework proposes among a variety of objectives, including "to enhance economically sound and sustainable development of the Mekong Basin; to encourage a process of dialogue; and

<sup>17</sup>Osborne, 21.

<sup>18</sup>ASEAN Official Website, "Overview: Association of Southeast Asian Nations," 16 February 2000 at, <<http://www.aseansec.org/64.htm>> as accessed on 8 December 2005.

<sup>19</sup>Ibid.



to strengthen the interconnections and economic linkages between ASEAN member countries and the Mekong riparian countries."<sup>20</sup> Although vague in some respects, the general framework, like the ADB, has called for the increase of energy deriving from hydropower. Under this framework, the Mekong Basin Development Cooperation has also called for greater development of the Mekong River through the building of better transport and irrigation-systems.<sup>21</sup> Under ASEAN's Mekong Basin Development Cooperation a variety of international and regional institutions, as well as financial aid agencies have been encouraged to assist in the development of the Mekong River. The framework also lays out annual meetings with the Secretary-General of ASEAN.<sup>22</sup> While much remains unknown about the current workings of the institution and the design of its projects, recent journalist reports have suggested that as many as 55 projects have been designed for implementation on the Mekong River, indicating a movement away from lofty objectives to realizable project goals.<sup>23</sup>

Similarly, ASEAN has begun to shape the Mekong River policies of Southeast Asian mainland states through its efforts to integrate with the ADB's Greater Mekong Subregion program (GMS).

According to ASEAN officials, integration between ASEAN and GMS provides each institution with a stronger framework from which to carry out their respective aims and projects. In expressing this sentiment, the Secretary-General Rodolfo Severino stated in February of 2000:

"ASEAN and GMS have given cooperative development of the Mekong Subregion a new dimension, a new context, added strength, an added advantage... ASEAN makes available a broader regional framework in which GMS can carry out its work...ASEAN has, in fact, used GMS as a framework for its determined push."<sup>24</sup>

While visionary in many respects, ASEAN's integration with GMS on the Southeast Asian mainland has in recent months affected the foreign policy path of Southeast Asian states along the Mekong River, particularly under both ASEAN's Land Transport program and Power Grid program. Under ASEAN's land transport program often integrated into GMS, cooperation between China's Yunan Province, Laos, Myanmar, and Thailand has recently shaped Mekong River policies in the promotion of greater trade and tourism. Through the cooperation of ASEAN and GMS, Laos, Thailand, and Vietnam have also worked out their own comprehensive agreements on transit and transport via roadways and the Mekong River. Lastly, through the ADB's efforts in GMS, ASEAN's Power Grid program has sought the distribution and development of hy-

<sup>20</sup>ASEAN, "Basic Framework of ASEAN-Mekong Basin Development Cooperation," Concluded in Kuala Lumpur, 17 June 1996.

<sup>21</sup>Ibid.

<sup>22</sup>Ibid.

<sup>23</sup>"Malaysia To Host ASEAN-Mekong Basin Development Cooperation Meeting," *Thai Press Reports*, 28 November 2005.

<sup>24</sup>ASEAN, "Developing the Great Mekong Subregion: The ASEAN Context" 10 February 2000 at <<http://www.aseansec.org/3256.htm>> as accessed on 8 December 2005.

dropower energy, frequently derived from the Middle and Upper Mekong.<sup>25</sup> While information remains relatively obscure, leadership declarations suggest that tangible progress in development of the Mekong River is being achieved.

While the ADB's efforts to transform the Mekong River have encouraged general concord, except for instances discussed later, ASEAN's actions on the Mekong River has achieved a similar end. That is, the involvement of ASEAN following the end of the Cold War has been essential in systemically forging a new movement towards cooperation and peace along the Mekong River in the Southeast Asian mainland. In explaining this remarkable shift, researchers at the Cambodian Institute for Cooperation and Peace have framed the issue against Southeast Asia's historical past:

"Very rarely is the security dimension of the developments of the Mekong River brought up... What is now called the Greater Mekong Subregion was for centuries ravaged by the armies of warring kingdoms crisscrossing the area, seeking territory, domination and ascendancy."<sup>26</sup>

Generally, like the ADB, institutional theory may help explain the phenomenon of peace in the wake of ASEAN's involvement. That is, under institutional theory, ASEAN has facilitated peace through the

creation of institutions like the Mekong Basin Development Cooperation, which have established rules for conduct among riparian states on the Mekong River. Similarly, under the institutional theory, ASEAN has forged cooperation further in promoting information sharing in its partnership with the ADB's Greater Mekong Subregion (GMS) program. Reinforcing this theory one official remarked, "the mechanism and processes have expanded to embrace...all of the Mekong riparian states."<sup>27</sup>

In this respect, in explaining ASEAN's influence over the Mekong-River policies one can point to the ASEAN-Mekong-River Basin Development Cooperation program, in addition to ASEAN's integration with GMS. Through these institutions, ASEAN has sought to emphasize on the Mekong River tourism, transit and hydropower. While the ADB's influence has been greater than that of ASEAN, ASEAN's involvement both occurred later, and has of recent demonstrated tangible progress. Generally, following the Cold War, despite resistance as discussed later, ASEAN's influence on the Mekong River has been towards systemic growth and peace.

## PROTEST AND SUSTAINABILITY ON THE MEKONG RIVER

The ADB and ASEAN since the end of the Cold War have been important systemic actors in promoting peace over the Mekong River. Despite peace and

<sup>25</sup>Ibid.

<sup>26</sup>ASEAN, "The Greater Mekong Sub-Regional and Regional Peace and Security," Address at the International Conference on "the Greater Mekong Subregion", 6 July 1999 at <<http://www.aseansec.org/3317.htm>>, as accessed on 8 December 2005.

<sup>27</sup>Ibid.



economic growth, however, the emerging issues of resistance and sustainability over the Mekong River, are issues of increasing importance for the greater regional concord as well as prosperity of the Southeast Asian mainland. That is, recent resistance from local Southeast Asian populations and national governments to the construction of Mekong River Dams, particularly those sponsored by the ADB, provides evidence of the questionable sustainability in ADB/ASEAN policies. More importantly, the depletion of Mekong fish and water resources as a consequence of Chinese Dam development and navigability measures on the Upper Mekong (often accompanied by the protest of Cambodia, Thailand, Laos, and Vietnam as well) has recently indicated that policies forging economic growth and modernization in the Mekong basin may not be attainable in the long run.<sup>28</sup> Central to these issues is the ability of institutions like the ADB and ASEAN to adapt and accommodate to the often changing social and political environment of the Mekong basin.

Issues of resistance and sustainability can be seen in the ADB's recent dam development in Laos. Various external environmental groups—claiming that the Laos Theun Hinboun Dam has effectively changed the water ecology of the Mekong River, thus reducing the variety of fish and changing its flow in water—have condemned the ADB's project involvement.

Some vocal protestors have even claimed that the dam, owned by two of the world's largest power utilities, Statkraft of Norway and Vattenfall of Sweden, systematically confiscated land in construction of the dam without local consent, while Lao villagers totaling close to 3,000 families have complained of a partial loss of their seasonal vegetable water gardens, and a general depletion in fish resources.<sup>29</sup> In describing the recent effects one downstream Southeast Asian villager explained, "I know the water is much different as it travels down from Laos and I do not know what has happened."<sup>30</sup> As consequence of the recent dam development, another fisherman remarked, "fishermen have stopped selling their fish at the main market. They don't have enough."<sup>31</sup> Overall, as evidenced through detrimental effects on the Mekong River (a river that 8 out of 10 people rely on), ADB and subsequent ASEAN plans for future development suggest that the promotion of economic growth through hydropower and trade development may be policies incapable of long-term sustainability.

The prospects for the sustainability of ABD/ASEAN development policies are put in greater relief by China's determination

<sup>29</sup>"Hey Big Spenders," *Asian Times Online*, 23 August 2002 at <http://www.aseansec.org/3317.htm>, as accessed on 8 December 2005.

<sup>30</sup>Marwaan Macan, "Flawed Vision for The Mekong Region?" *Asian Times Online*, 6 November 2002 at <http://www.atimes.com/atimes/Southeast Asia/DK06Ae01.html> as accessed on 8 December 2005.

<sup>31</sup>Jane Perlez, "China's Reach: The Trouble Downstream," *New York Times*, 19 March 2005. Late ed., sec. A: 1.

<sup>28</sup>Merrick Lex Berman, *Opening the Lancang River in Yunnan: Problems and Prospects for Xishuangbanna* (Amherst, MA: University of Massachusetts, 1998), Chapter II.C.1

to harness potential hydropower from dams on the Upper Mekong, as well as navigability measures improving trade on the Mekong River with lower Southeast Asian states. In the quest to secure energy, having already built two dams, with two under construction and four planned in the future, Chinese policies have been criticized by an assortment of international organizations, leaders, and local populations (including Chinese villagers and scientists) for changing the flow of the Mekong River, and the variety of fish that it maintains. China argues that its dams will "even out the flow" of water to Southeast Asian states. Other organizations like Thailand's Songkhram River Conservation Group have countered, arguing that the construction of Chinese dams on the Upper Mekong has caused "the lowest water level and lowest fish catches in Lao and northern Thailand in living memory."<sup>32</sup> The Thailand senator, Kravak Choonhaven, has echoed a similar sentiment. And even within China, controversy has stemmed both from local populations, particularly those 50,000 displaced by the dams, as well as scientists from the Chinese Academy of Sciences in their critical Environmental Impact Assessment of the Mekong River.<sup>33</sup> Recently, it has been reported that the Chinese premier, Wen Jiabao, has suspended future plans for dam construction in a rare form of deference to environmentalists. However, it is unclear as to whether Wen Jiabao's intervention has

actually stopped plans for dam construction.<sup>34</sup> Ultimately, as recent Chinese efforts have indicated, in addition to the ADB/ASEAN experience, economic growth through hydropower development may not be suitable in the long run.

Certainly, the various forms of resistance to hydropower development have not been unjustified, questioning the environmental sustainability of the ADB/ASEAN policies in addition to China's. Among a list of detrimental environmental effects is the famous Mekong Giant Catfish (*Pangasianodon Gigas*), migratory in character, which is no longer able to access its mating grounds on the Mekong Delta as a result of the Chinese Manwan and Daschaoshan dams.<sup>35</sup> Fears over the loss of fish in Cambodia's Tonle Sap as a result of altered water flows also remains disconcerting. Even recent data has suggested that fish catches in the Lower Mekong Basin have remained fairly stable over the past 50 years until now, requiring the efforts of almost twice as many people in catching the same quantity of fish as was the case 50 years ago.<sup>36</sup> Chinese dams have also affected agricultural output. Erratic water release schemes by Chinese authorities to ensure the safe travel of cargo ships down the Mekong River have

<sup>32</sup>*Asian Times Online*, 6 November 2002.

<sup>33</sup>Osborne, 27.

<sup>34</sup>Tom Butler, "Thai Groups Battle New China Dam," *BBC News Online*, 21 January 2004 at <<http://news.bbc.co.uk/2/2hi/asia-pacific/3402389.stm>>, as accessed on 8 December 2005.

<sup>35</sup>Mekong River Commission. State of Basin Report: 2003 (Phnom Phen: Mekong River Commission, 2003). Executive Summary.

<sup>36</sup>*Ibid.*



often flooded crops near riverbanks. Furthermore, the filling of the Chinese dams have often reduced the supply of water needed for strong agricultural output.<sup>37</sup>

Overall, the ADB and ASEAN have systemically shaped peace on the Mekong in the Southeast Asian mainland following the Cold War. Through well-intentioned policies in the further economic development of the Mekong River through hydro-power, the ADB and ASEAN have sought to ensure further peace. However, the immense importance of the Mekong, in which 60 million rural people downstream depend on the river for their life's blood, has had a substantive effect on the sustainability of the ADB and ASEAN's policies. With China most likely continuing its efforts towards development, questions over whether the Mekong and its peoples can absorb greater stress through development, remains unanswered. However, initial statistics in the depletion of fish and water resources suggest it may not.

## THE MEKONG RIVER AND INSTITUTIONAL CAPACITY

The current detriments experienced on the Mekong River beg one major question: How can the ADB and ASEAN reverse these trends? How can they create a framework for greater sustainability? As seen before, institutional theory may help provide the answer. Since according to Mark Giordano, "Institutions in the case

of freshwater systems have the capacity to ameliorate conflict that might otherwise occur as a result of dam-generated water supply changes," the ability of organizations like the ADB and ASEAN to adapt and accommodate evolving issues through an all inclusive institution, may help mitigate the environmental detriments currently experienced, and provide the region with a long-term framework for sustainability.<sup>38</sup> As of now, while institutionalism exists among each actor independently, particularly with respect to China (except for the recent integration of ASEAN and GMS), no broader institution incorporating all three actors, particularly China, and Southeast Asian states, effectively govern relations among nations and organizations involved in the Mekong Basin.<sup>39</sup> There have been promising moves towards adaptation, particularly in the experiences of the ADB. However, a more effective form of organization between China, the ADB, and ASEAN, on the Mekong River, may offer a way out to the current trend of variance – in essence more inclusive institutionalism and not less.

In fact, the current inadequacies of the major institution governing the Mekong River, the Mekong River Commission (MRC), may explain the uncoordinated development of the Mekong River and subsequent dissension among local village populations, and between sovereign states. That is, the MRC, an organization designed to overcome past antagonism on

<sup>37</sup>Osborne, 21.

<sup>38</sup>Mark Giordano, "International Resource Conflict and Mitigation," *Journal of Peace Research* 4, no. 1. (2005): 53.

<sup>39</sup>Osborne, 9.

the Mekong River in mainland Southeast Asia, while including all ASEAN states, does not include China as a member (Although the Greater Mekong Development Cooperation does, its importance is minimal in comparison to the MRC). As indicated by China's failure to consult downstream countries in relation to its dam building program, the failure of the Mekong River governing body to create a system of norms with China and in many respects the ADB, and to establish an effective forum for grievance, may be one factor in explaining the detrimental policies, which China among others has unilaterally pursued.<sup>40</sup> While China is present at certain MRC meetings, and occasionally agrees to supply data on river levels in the Upper Mekong, China has remained independent from the MRC and continues to do so. In examining China, Milton Osborne underscores this issue stating, "with China out, there is no single, overarching body in authority in relation to the governance of the river as a whole."<sup>41</sup> Generally, MRC efforts to expand institutionalism to include China and the ADB would facilitate coordination among all Southeast and East Asian states, and potentially reduce hydropower related environmental detriments on the Mekong River by instituting better norms and expectations.

Despite the issue of China, moves towards institutional adaptation have recently occurred. Exemplified by the

integration of ASEAN and GMS, the ADB has experienced a similar adaptation as a result of its policies in Laos. That is, in reaction to the perceived environmental impacts of its Theum Hinboun Hydro-power Dam in Laos, the ADB has established an Environmental Management Division, which has recently implemented a "10-year Mitigation Compensation Plan" to address the environmental and social needs of the region.<sup>42</sup> Nongovernment organizations (NGOs) particularly Terra, have also played an important role touring villages and prescribing solutions to improve environmental conditions and general water quality.<sup>43</sup> While the ADB and ASEAN have provided clauses calling for sustainability, only recently have institutions adapted to the disadvantageous environment of the Mekong River, by providing mechanisms for oversight and regulation. Generally, in this respect, despite instabilities surrounding the Mekong River, further institutional adaptation to meet the test of the environment may help change the Mekong River's current path.

Whether institutionalism between China, the ADB, and ASEAN, can be achieved and remain effective in the long run, is an essential question, which many scholars have debated. Milton Osborne has expressed a great deal of pessimism. According to him, there is little sign that the state actors who are key to positive change, are fully appraising, or accepting the range and seriousness of the Mekong's

<sup>40</sup>Milton Leifer, *Dictionary of Modern Politics of South-East Asia* (London: Routledge, 1996).

<sup>41</sup>Osborne, 8.

<sup>42</sup>Nair, ADB 2002.

<sup>43</sup>Ibid.



problems."<sup>44</sup> Similarly, Tashi Tsering has expressed a cynical outlook: "A framework that gives a balanced importance to both economic development and environmental protection...is unfortunately complex...and has been seriously hampered."<sup>45</sup> Generally, regardless of whether institutionalism truly exceeds, its experience in the Mekong River will provide an interesting case study for its faults and benefits.

## CONCLUSION

In the end, this research paper has first sought to understand how regional institutions like the ADB and ASEAN have shaped Mekong River water policies on the Southeast Asian mainland. Driven by hydropower developments, the ADB influenced Southeast Asian mainland policies through the creation of the Greater Mekong Subregion (GMS) in addition to funding the Theuon Hinboun Dam in Laos. ASEAN, influenced by similar factors of hydropower in addition to transit and tourism considerations, established the Mekong River Basin Development program, and forged greater integration with GMS. Generally, while the ADB's efforts have been characterized by on the ground effects, ASEAN's have been largely visionary, although recent progress has suggested otherwise. Furthermore, following the Cold War, the systemic effects of the ADB and ASEAN involvement on the Mekong River, had a generally ameliorating effect, with no great conflict

experienced. The theories of institutionalism may account for this event.

Lastly, this paper has sought to understand the sustainability of the ADB and ASEAN policies. With recent protest and concerns over rampant destruction of the environment, the achievement of long-term economic growth through hydropower has seemed increasingly tenuous. While the failure of institutionalism may explain this result, concerted efforts towards the inclusion of all parties in a broader institutional framework, may provide a better solution. In essence, while one famous scholar remarked that "the cure for the evils of democracy is more democracy," so too may the cures for the failures of institutionalism over the Mekong River be more institutionalism.

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<sup>44</sup>Osborne, 45

<sup>45</sup>Tashi Tsering, *Mekong: Managing a Transboundary River* (London: Routeledge, 2000), 1.

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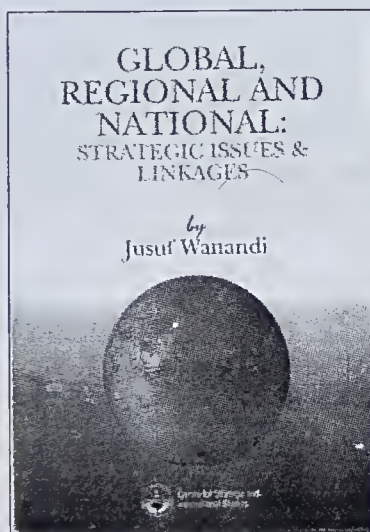
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# The ASEAN Security Community Project

## The Prospects for Comprehensive Integration in Southeast Asia

Christopher B. Roberts

ON 7-October 2003 the Association of Southeast Asian Nations (ASEAN), at the 9<sup>th</sup> ASEAN Summit, formally proposed the establishment of a security, economic and socio-cultural community by the year 2020.<sup>1</sup> The proposal to erect these three pillars reflects the academic literature on the theory of a 'Security Community' and its core definition that a security community can only exist *where the states of the community no longer envisage war as a foreseeable possibility*. Until the events of the Asian economic crisis of 1997-1998 and the terrorist attacks in the United States (September 2001) and later in Bali (October 2002), ASEAN was considered, by some, to be the driving force behind a dynamic pace of economic growth and growing regional stability. While various states in Southeast Asia may now be making renewed headway towards regaining their reputation as 'economic tigers', the economic gaps within

the region continue to widen. The *original*-ASEAN member-states may have avoided large-scale military confrontation, but there are now newer ASEAN member-states that had previously been in armed conflict with each other.

The claim has been made that the newer ASEAN members have been 'successfully engaged' and have sufficiently embraced the ASEAN norm of peaceful change so as to be characterised as a nascent security community.<sup>2</sup> Therefore, and notwithstanding the adverse effects of the economic crisis as well as the internal turmoil that Indonesia has experienced over the past few years, many assessments

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<sup>1</sup>*Declaration of ASEAN Concord II* (Association of Southeast Asian Nations, 7 October 2003 [cited 14 October 2003]); available from <http://www.ASEANsec.org/15159.htm>.

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<sup>2</sup>For example, see: Amitav Acharya, "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'?", *Pacific Affairs* 64, no. 2 (1991): 176. Yuen Foong Khong, "ASEAN and the Southeast Asian Security Complex," in David A. & Morgan Lake, Patrick M., ed., *Regional Orders: Building Security in the New World* (Pennsylvania: Pennsylvania State University Press, 1997), 339. Raimo Vayrynen, "Stable Peace through Security Communities," in Arie Kacowicz, et al. ed., *Stable Peace among Nations* (Oxford: Rowman & Littlefield, 2000), 121.



of the region have found the likelihood of interstate armed conflict to be highly improbable.<sup>3</sup>

However, given the threats of modern terrorism, insurgency and transnational crime; the sometimes bitter relations between various Southeast Asian states, and the conflicting claims in the South China Sea, are these contentions truly defensible? These are some of the core issues that security community frameworks (SCFs) have the *potential* to address. Yet, to date, the primary aim of the security community frameworks that have been applied to Southeast Asia has been to illustrate the success with which the region has integrated over the past few decades. While it is not the purpose of this paper to refute these studies or their claims, it does contend that the framework may equally be applied to a region for the purpose of critically understanding the *current limitations* to dependable expectations of peaceful change in Southeast Asia.

A scale of analysis is needed that accepts and accounts for both the worst case scenario (complete non-integration and anarchy - realism) and the best case scenario (positive mutual interdependence and integration - constructivism). In this context, the present study has two primary investigative tasks. The first explores how security community frameworks can be improved to better reflect these realities in interstate and communal relations. Based

on the insights from this the second critically evaluates, by way of a brief case study, why Southeast Asia cannot be characterised as anything more than an embryonic or limited security regime.<sup>4</sup> This is because the various expectations of peaceful change in the region are little more than transient in nature. In other words, there is no guarantee that any expectations of peaceful relations that exist today, will exist tomorrow.

## THE CONCEPTUAL FOUNDATIONS TO A SECURITY COMMUNITY

The emergence of a 'security community' as a conceptual framework is largely accredited to the research of Karl Deutsch and associates in 1957.<sup>5</sup> In reflecting many of the modern day attributes of the constructivist school of thought this work is often considered as one of the earliest challenges to the realist paradigm.<sup>6</sup> Deutsch asserted that a security community will exist where there are 'dependable expectations of peaceful change'.<sup>7</sup> Ac-

<sup>4</sup>Tim Huxley, *Insecurity in the ASEAN Region* (London: Royal United Services Institute for Defence Studies, 1993), 81-82.

<sup>5</sup>While Deutsch developed the initial framework and its composite notions, the actual founder of the term was Richard van Wagnen in the early 1950s. Emanuel Adler and Michael Barnett, "Security Communities in Theoretical Perspective," in, Emanuel Adler and Michael Barnett, ed., *Security Communities* (Cambridge: Cambridge University Press, 1998), 3.

<sup>6</sup>Acharya, "Collective Identity and Conflict Management in Southeast Asia," 201.

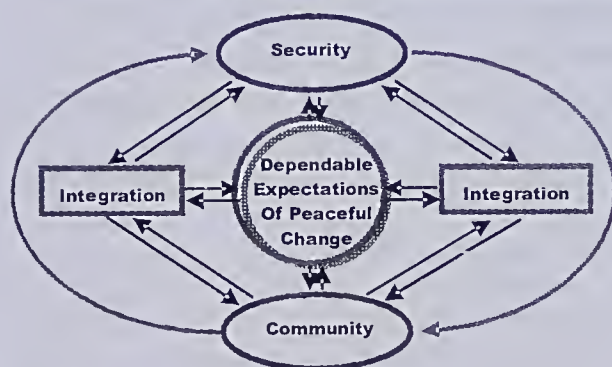
<sup>7</sup>Karl W. Deutsch, "Security Communities," in James N. Rosenau, ed., *International Politics and Foreign Policy: A Reader in Research and Theory* (New York: Free Press, 1961), 5.

<sup>3</sup>Steven L Rundle, *Regional Security Issues Southeast Asia* (Military Intelligence Professional Bulletin, 2000 [cited 25 May 2002]); available from <http://ptg.djnr.com>.

cording to Deutsch, the existence of such 'expectations' will occur whenever two or more states become integrated to an extent that there is an overall sense of community, 'which in turn, creates the assurance that they will settle their differences short of war'.<sup>8</sup> Therefore, the 'community of states' that form the security community abides by norms of peaceful conduct and in fact anticipates a stable peace.<sup>9</sup>

Figure 1 below reflects the proposition that certain key components are central to assessing the existence of a security community and that they are each interdependent with one another. As the term 'security community' suggests, and as illustrated by the diagram, two of the primary components to the framework are

Figure 1: Definitional and Conceptual Framework



Source: Compiled by author

<sup>8</sup>Adler and Barnett, "Security Communities in Theoretical Perspective," 3.

<sup>9</sup>Norms are defined as the 'standard of appropriate behaviour for actors with a given identity'. Markus Hund, *The Development of ASEAN Norms between 1997 and 2000: A Paradigm Shift?* (Center for East Asian and Strategic Studies, 2001 [cited 20 July 2002]); available from [www.zops.uni-trier.de/op/OccasionalPapersNr15.pdf](http://www.zops.uni-trier.de/op/OccasionalPapersNr15.pdf).

'security' and 'community'. A security community also involves the less obvious, though equally important (primary) components of integration and dependable expectations of peaceful change. This section will commence with a discussion of the role and application of the terms 'security' and 'community' followed by a consideration of 'integration' and the threshold test of the existence of a security community, namely, 'dependable expectations of peaceful change'. In building on the discussion of these primary components to a security community, the section introduces the concept of *comprehensive integration* as this represents both a key process and, potentially, upon becoming integrated, a definitional endpoint.

## Security

In the traditional sense, the concept of security applied exclusively to the absence of a military threat to a sovereign state. Adler and Barnett apply the contemporary trend of broadening security to include 'economic, environmental, and social welfare concerns'.<sup>10</sup> By contrast, Ramo Vayrynen<sup>11</sup> criticises this approach and applies a narrow, realist definition. Vayrynen has a point in arguing that a broad definition of security encompassing non-traditional security matters could destabilise the Deutschian framework and its application. That is, should a broad definition of security apply, there would be difficulty in the classification of a

<sup>10</sup>Ibid., 4.

<sup>11</sup>Vayrynen, "Stable Peace through Security Communities," 112.



community of states in the event of a vis major (i.e., a plague or economic crisis). This neo-liberalist approach would result in a security community that is existent one week, nonexistent the next, and back again the week after. In light of this problem, Vayrynen defines security in the following terms:

[As a] 'low past, present and future probability of using serious coercive force between or within nations'. Coercion can be both military and economic in nature as both of them can inflict major damage and pain on the targeted people. Peace is broken, and the security community unrealized in the region, if people are subjected to physical destruction and suffering. In other words, peace and security mean, ultimately, freedom from coercion and its threats'.<sup>12</sup>

Nonetheless, the preceding comments do not intend to suggest that broader non-traditional and/or comprehensive security approaches pertaining to the domestic and inter-state levels should be dismissed altogether. To the contrary, and in contrast to other security community frameworks, this paper suggests that the aforementioned definition of security should be utilised as a threshold test—referred to as *traditional security*. However, once the application of this threshold test is satisfied, the broader definition of 'comprehensive security' which encompasses non-traditional considerations, in addition to the traditional security factors, should be applied—such as transnational crime.

The Council on Security Cooperation in the Asia Pacific (CSCAP) formulated the following as an indigenous definition of

security in the Asia Pacific;<sup>13</sup> 'Comprehensive security is the pursuit of sustainable security in all fields (personal, political, economic, social, cultural, military and environmental) in both the domestic and external spheres, essentially through cooperative means'.<sup>14</sup> Personal security is taken to mean freedom from oppression, exploitation, poverty and adequate medical attention; social security exists with the absence of drug trading, people smuggling, and general transnational crime; and cultural security is the community's ability to refract external dilution of customs and practices. Reference to domestic security in this study is taken to mean the sum of all the factors that stem from the categories of both 'personal' and 'social' security.

Because the end goal of a security community is to bar the possibility of transnational conflict, much of the security community literature has neglected economic and security issues pertaining to the domestic and international tiers of analysis.<sup>15</sup> Yet, and as Katzenstein and Sil note, undertaking a broader understanding of security that 'focuses on the primacy of economic growth and its interconnectedness with social stability, societal order, and regional peace and stability' is in line with a 'regionwide consensus' and the empirical evidence proffered by the region

<sup>13</sup>"Concepts of Comprehensive Security and Cooperative Security," *CSCAP Newsletter*, no. 6 (1997): 1.

<sup>14</sup>*Ibid.*, 2.

<sup>15</sup>Arie Kacowicz, "Regionalization, Globalization, and Nationalism: Convergent, Divergent or Overlapping?," *Alternative: Social Transformation and Humane Governance* 24 (1999): 543.

<sup>12</sup>*Ibid.*

since the end of the Cold War.<sup>16</sup> Domestic stability is further important to a security community because its absence (including the possibility of large-scale violence) generates suspicion and, thereby, tension between the member states and this inhibits the development of trust and collective identity formation. Such instability can also result in cross-border violence (e.g., Myanmar and Thailand) and, in the very least, other states are neither able to exclude the future possibility of spill-over violence nor the predictability or reliability of regimes destabilized by such internal factors.<sup>17</sup>

While intra-mural security threats are indeed the threshold test to the existence of a security community and, in agreement with Deutsch, security communities are ultimately built from within;<sup>18</sup> extra-mural security threats test the degree of convergence in identity (e.g. collective identity) and this identity is a defining element to the existence of a community. Thus, and as Ganesan notes, the actions and policies of external powers and institutions can have a unifying role for ASEAN 'much of ASEAN's ideological convergence derived

from external forces and structures'.<sup>19</sup> Likewise, and as Vayrynen contends, military alliances and/or other security coalitions which are formed to address perceived security externalities, 'reflect in the first place, the ... commonality of its member's values and identities'.<sup>20</sup> Thus, a consideration of these broader issues provides the opportunity to obtain a far deeper and richer level of insight in relation to the driving forces behind integration (or disassociation) between states.

### Community

Deutsch envisioned that the development of a *stable peace* was inseparable from the existence of a *transnational community*.<sup>21</sup> While a 'community' can be simply defined as a 'human collectivity that is constituted by shared norms and understanding among its members', a review of the scholarly literature reveals at least three characteristics to the formation of a community.<sup>22</sup> The first of these is the

<sup>19</sup>N. Ganesan, "ASEAN: A Community Stalled?," in Jim Rolfe, ed., *The Asia-Pacific: A Region in Transition* (Hawaii: Asia-Pacific Center for Security Studies, 2004), 129. Ganesan later adds that 'powerful perception of threat' externally 'had made ASEAN cohere better', *Ibid.*, 132.

<sup>20</sup>Vayrynen, "Stable Peace through Security Communities," 119.

<sup>21</sup>Deutsch et al., *Political Community and the North*, 5.

<sup>22</sup>Alex J. Bellamy, *Security Communities and Their Neighbours: Regional Fortresses or Global Integrators?* (Hampshire: Palgrave MacMillan, 2004), 31. See also: Emanuel Adler and Michael Barnett, "A Framework for the Study of Security Communities," in Emanuel Adler and Michael Barnett, ed., *Security Communities* (Cambridge: Cambridge University Press, 1998), 31.

<sup>16</sup>Peter J. Katzenstein and Rudra Sil, "Rethinking Asian Security: A Case for Analytical Eclecticism," in *Rethinking Security in East Asia: Identity, Power, and Efficiency*, ed. J. J. Suh, Peter J. Katzenstein, and Allen Carlson (Stanford University Press, 2004), 2.

<sup>17</sup>Laurie Nathan, "Domestic Instability and Security Communities," *European Journal of International Relations* 12, no. 2 (2006): 293.

<sup>18</sup>Karl W. Deutsch et al., *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (New York: Greenwood Press, 1957), 156-157.



existence of a *collective identity* (see Figure 3). 'Identities' can be *socially constructed* (i.e., by way of a state-driven nation-building process)<sup>23</sup> and are understood as 'that part of an individual's self-concept which derives from personal knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership'.<sup>24</sup>

Additionally, the emergence of a 'collective identity' is assisted by a pluralist formation of shared values and meanings. These 'common identities, meanings and values are the key to transnational understanding. A transnational understanding provides a common language to communicate a social reality and a 'common understanding of certain norms' where as common meanings create a 'common reference world' where there exist common actions, celebrations, and feelings.<sup>25</sup>

The second factor in the construction of a community is the requirement that the *interaction* occurring within a community is direct and numerous in its types of setting. Labelling this process the *transactionalist approach*, Deutsch utilized a wide

range of indicators in collective identity formation including 'international trade, mail flows, student exchanges and travel' and, to adapt the theory to incorporate more recent developments, such things as email, MSN messenger along with various discussion forums and chat groups.<sup>26</sup>

In contrast to the definitional attributes provided by Adler, it is argued that such contact and transactions between communities need not be proximate. This is because of a continuing increase in the processes of globalization and the partial elimination of time and space. As a result, there has been a growing recognition of the fact that a community can exist over increasing distances to the extent where there might eventually exist one *single* global community.<sup>27</sup> Finally, the third requirement to the existence of a community is that there exists a practice of *reciprocity*, which indicates a 'sense of long-term interest'—that is, knowledge of, and between, the groups within the community. Additionally, there would potentially exist a sense of obligation towards, and a responsibility for, the members of the community.<sup>28</sup> At the inter-state level of analysis, an understanding of 'identity' is important because the interests of an

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<sup>23</sup>A *state-driven nation-building process* is the policy of a government that is directed towards a unification of the communities that exist within its territorial boundaries. One example is Singapore's adoption of English as a neutral and practical language of communication between its ethnic groupings.

<sup>24</sup>Henri Taifel, cited in: Claire Sutherland, "Another Nation Building Bloc? Integrating National Ideology into the EU and ASEAN," *Asia Europe Journal* 3 (2005): 143.

<sup>25</sup>Adler and Barnett, "A Framework for the Study," 31.

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<sup>26</sup>Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London: Routledge, 2001), 32.

<sup>27</sup>Ira J. Cohen, "Structuration Theory and Social Praxis," in *Social Theory Today*, ed. Anthony Giddens and Johathan H. Turner (Cambridge: Polity Press, 1987), 298.

<sup>28</sup>Acharya, *Constructing a Security Community*, 32.

actor/state are informed by the state/actor's identity<sup>29</sup> and this, in turn, informs when a state (agent) is likely to 'perceive a particular norm as salient'<sup>30</sup> – such as the norm of 'peaceful coexistence'.

### Integration

Integration is defined as the merging of 'previously separate units into components of a coherent system'.<sup>31</sup> For 'social problems' to be resolved by 'institutionalized procedures' (as required by Deutsch) there has to be a convergence of identity (and interests) over how states discuss and resolve transnational security issues and this includes explicit (and/or implicit) restrictions on how, when and where a state can use coercive military and/or economic measures. Therefore, and in the current context, the study of political integration is concerned with not only 'the process of building new political communities that transcend the nation-

state'<sup>32</sup> but also 'how and why states voluntarily mingle, merge, and mix with their neighbors so as to lose several factual attributes of sovereignty'.<sup>33</sup>

While integration is a question of fact, rather than time, it is contended that by necessity, there should be a degree of consistency and evolution towards a situation of anticipated and actual peace between nations. What has just been described is a 'process' but integration also represents an 'end state' or the end of a means. That is, it is on the integration of states and communities that a community of states will be formed and *vice versa*.<sup>34</sup> Following this, the degree of integration that exists determines whether a collection of states should be classified as anywhere between a war community, a security regime or a security community.

### DEPENDABLE EXPECTATIONS OF PEACEFUL CHANGE

When a group of states subject to an analysis are able to resolve their traditional security issues (threats), when there is sufficient integration to (a) support such security and (b) provide the basis for a sense of community (and collective identity

<sup>29</sup>Alexander Wendt, "Anarchy Is What States Make of It: The Social Construction of Power Politics," *International Organization* 46, no. 2 (1992): 398. See also: Richard Ned Lebow, "Reason, Emotion and Cooperation," *International Politics* 42 (2005): 284. This, in turn, explains why constructivists are so deeply concerned with identity formation and change. Bellamy, *Security Communities and Their Neighbours: Regional Fortresses or Global Integrators?*

<sup>30</sup>Trine Flockhart, "'Complex Socialisation': A Framework for the Study of State Socialization," *European Journal of International Relations* 12, no. 1 (2006): 94.

<sup>31</sup>Richard Little and Michael Smith, *Perspectives on World Politics*, ed. Richard Little and Michael Smith, Second ed., *Perspectives on World Politics* (London New York: Routledge, 1991; reprint, 1998), 1088.

<sup>32</sup>Charles W. Jr. Kegley and Gregory A. Raymond, *The Global Future: A Brief Introduction to World Politics* (Belmont: Thompson, 2005), 246.

<sup>33</sup>Kacowicz, "Regionalization, Globalization, and Nationalism: Convergent, Divergent or Overlapping?"

<sup>34</sup>Graham Evans and Jeffrey Newnham, eds., *The Penguin Dictionary of International Relations* (London: Penguin Books, 1998), 253.



at the elite level, if not beyond) which in turn encourages development, stability and political and economic cooperation (and vice versa), then it becomes possible to make a finding that there exists dependable expectations of peaceful change. To understand this process better, Adler and Barnett contended that 'dependable expectations' are best considered by reference to the aforementioned theories of social interaction.<sup>35</sup> Thus, dependable expectations can exist where the actors have *collective identities* and these identities are shaped by their historical memories and environment.<sup>36</sup> Indeed, the existence of a collective identity and feelings of mutual trust are necessary preconditions to the existence of dependable expectations of peaceful change.<sup>37</sup> Peaceful change, by contrast, is best defined as 'neither the expectation of nor the preparation for organized violence as a means to settle interstate disputes'.<sup>38</sup> In order to satisfy this criterion, it is assumed that states do not prepare for or even *consider* security actions that would or could be interpreted by others as representing a threat to another state or community's hard-security.

Thus, if a security community was to exist in the absence of 'well-developed strategic ties or formal alliance' then there would at least be 'tacit and/or formal

normative prohibitions against states settling their disputes through military means'.<sup>39</sup> The degree to which either strategic ties and formal alliances, or normative prohibitions against conflict exist, is directly proportional to the degree of integration that subsists between and throughout the states of a community. The existence of confidence and security building measures (CSBMs), preventative diplomacy and dispute resolution procedures, further complements and assists in a finding of peaceful change.<sup>40</sup>

### THE CHARACTERISTICS OF COMPREHENSIVE INTEGRATION

This study introduces the notion of *comprehensive integration* to not only draw out the structure and form of integration, but also the order by which the processes of integration are likely to take place. As Figure 2 below illustrates, and in mirroring the philosophy behind the ASEAN Security Community proposal, comprehensive integration comprises three interdependent and mutually reinforcing pillars: economic, political and socio-cultural integration. While there can be different and multiple pathways to the delivery of integration, the figure has narrowed the scope of analysis to the likely order of a state-driven process

<sup>39</sup>Ibid., 35.

<sup>35</sup>Adler and Barnett, "A Framework for the Study," 34.

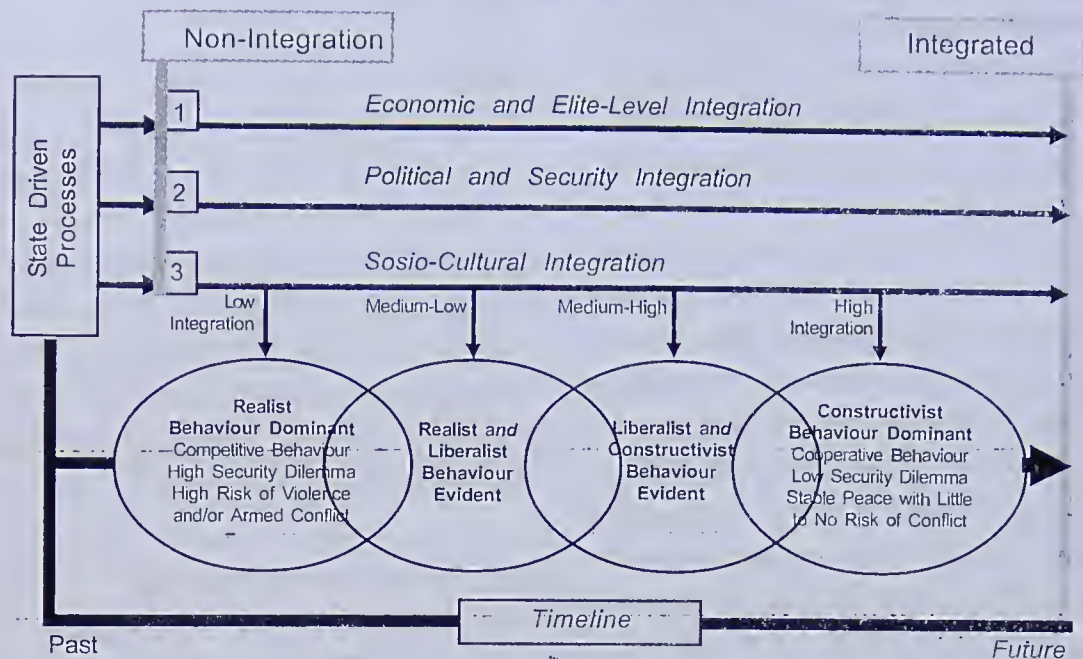
<sup>36</sup>Lebow, "Reason, Emotion and Cooperation," 294.

<sup>37</sup>Nathan, "Domestic Instability and Security Communities," 276.

<sup>38</sup>Ibid.

<sup>40</sup>For a discussion and definition of the role of these three organising concepts see: Marie-Francis Desjardins, "Rethinking Confidence-Building Measures," *ADELPHI*, no. 307 (1996): 5; Bruce W. Jentleson, *Opportunities Missed, Opportunities Seized: Preventative Diplomacy in the Post-Cold War World* (Lanham: Rowman & Littlefield Publishers, 2000), 10.

Figure 2: The Empirical Linkages to Comprehensive Integration



Source: Compiled by author

of integration as this reflects what has already taken place and has been planned to take place in the future.<sup>41</sup>

Based on the history of Southeast Asia *inter alia*, it is suggested that economic integration and elite-level collective identity formation will likely remain the dominant forces in the early phases of integration. Should the processes of socialization and appropriate norm creation be successful then the transactions and interactions to flow from economic and elite integration may then lead to greater political and security integration which in turn may, of the long run, reinforce and development

and an overall sense of community as characterized by socio-cultural integration.

The figure above also illustrates the contention that at a low level of comprehensive integration much of the behaviour (though not the causation) predicted by the realist school of thought is likely to be dominant—e.g. competition between states, high security dilemma and a high risk of violence and/or armed conflict. At a high level of integration, by contrast, states alternatively seek intra-mural cooperation with a view to attaining absolute gain (as opposed to relative gain). The greater the frequency of cooperation and the higher the level of interdependence as a consequence of comprehensive integration then there is a corresponding reduction in the security dilemma and a stable peace can be said to emerge between the interstate relations of the grouping. Such a high level of state driven integration is not

<sup>41</sup>The idea that ASEAN and its member states can construct a security community is akin to the idea of states implementing nation building policies with the eventual goal of forming a nation-state.



likely to emerge in the absence of various triggering mechanisms such as mutual threat perceptions and joint trade benefits.<sup>42</sup>

At the level of integration indicated by the existence of a security community one would likely witness an institutionalised form of collective security, high levels of integration between the military (such as joint exercises, training and multilateral cooperation), joint policy coordination against internal threats, a relative freedom of movement for societies between states, and the beginnings of a cognitive transition towards inter-subjective processes and collective identities encouraging 'dependable expectations of peaceful change. Given these definitional attributes to the existence of a security community it is now possible to apply the paper's theoretical framework to a brief case study aimed at illustrating why Southeast Asia has not yet integrated to a point where it will be feasible to reach the status of a security-community by 2020.

### SOUTHEAST ASIA – AN EPIGRAMMATIC CASE STUDY

As mentioned previously, in 2003 ASEAN proposed the establishment of a security community by 2020. Interestingly, the proposal was initially developed by political scientists such as Rizal Sukma in connection with the Indonesian Foreign Ministry—who had been influenced by the ideas and concepts of both Deutsch and Acharya.<sup>43</sup> Even more extraordinary was the Indonesian Foreign Ministry's success-

ful drive to include a number of references to the ideal of promoting democracy in the Security Community proposal.

The sum-total of the proposal's commitments and philosophy was in stark contrast to the normative, political and security architecture of several of ASEAN's member-states. Consequently, it was not long before the challenges posed by the region's diversity started to hinder the proposal's progress—particularly in relation to the elements of its political and socio-cultural pillars. Thus, when Indonesia (a newly democratized nation) submitted its draft Plan of Action for the formation of a security community in February 2004, several components of the draft immediately met with resistance and were subsequently shelved. These components included an 'ASEAN Peacekeeping Force (including a 'Standby Arrangement' and a 'Deployment Mechanism'), the enactment of an 'ASEAN Charter of Rights and Obligations of Peoples' as well as the implementation of an 'ASEAN Regional Commission' by 2006.

Furthermore, this initial Plan of Action involved seventy-five concrete steps towards becoming a security community complete with concrete dates for when each step should be implemented.<sup>44</sup> Nonetheless, consensus could not be reached on these 'dates' and, as one policy maker

<sup>42</sup>Adler and Barnett, "A Framework for the Study," 52-53.

<sup>43</sup>Interview by Author with Rizal Sukma, CSIS Jakarta,

<sup>44</sup>Barry Wain, "ASEAN Apathy: Indonesia Proposes a Regional Peacekeeping Force, but Neighbours Show Little Interest," *Far Eastern Economic Review*, 6 May 2004, Barry Wain, "Jakarta Jilted: Indonesia's Neighbours Are Not Very Supportive of Its Vision of a Regional Security Community," *Far Eastern Economic Review*, 10 June 2004.

complained in interview, consensus could not even be obtained on ranking these initiatives by order of importance.<sup>45</sup>

### NORMATIVE VALUES AND SOUTHEAST ASIA'S SECURITY ARCHITECTURE

The challenges to comprehensive integration in Southeast Asia, even in a non-institutionalized form, can be seen through the operative norms of ASEAN. The principle (norm) of non-interference, for example, requires the Southeast Asian states to refrain from any criticism against the domestic policies and/or actions of the remaining ASEAN member-states. This principle has in practice resulted in a traditional avoidance of cooperative security and legally binding rules and treaties (regardless of whether they are bilateral or multilateral).<sup>46</sup> Because of this, the principle has been the subject of criticism by some regional politicians (e.g., Surin Pitsuwan and Anwar Ibrahim)<sup>47</sup> and increasingly by a large camp of scholars within and without the region.<sup>48</sup> This is because ASEAN's

norms have meant that regional co-operation has only been viable where it is considered to be mutually-beneficial, does not require an express or implied change in the domestic affairs of a state or for an individual state to undertake wide-range responsibilities, and where there has been no transfer of national sovereignty to ASEAN.

Prior to 1997, it was argued that economic development within Southeast Asia—and indeed Asia in general—necessitated the non-interference principle and ASEAN's distinctly regional approach to decision making, human rights and democracy.<sup>49</sup> Moreover, and in agreement with Snitwongse, the procedural and behavioral norms that constitute the ASEAN way were also a necessary reaction to Southeast Asia's history—e.g. the Cold War, *Konfrontasi* and various insurgencies.<sup>50</sup> Conveniently, and perhaps even necessarily, the ASEAN unity in diversity approach—which stems from the norm of consensualism—allowed for, and indeed justified, the existence of a variety of regimes ranging from soft-authoritarian to military dictatorships. The Philippines and its catchcry chant of 'people power' was viewed as an exception—even an abrogation—to the

<sup>45</sup>Christopher Roberts, *The 'ASEAN Charter': A Crossroads for the Region?* (IDSS, 2005 [cited 19 September 2005]); available from <http://www.idss.edu.sg/publications/Perspective/IDSS602005.pdf>.

<sup>46</sup>Michael Leifer, *Dictionary of the Modern Politics of South-East Asia* (London: Routledge, 2001), 60.

<sup>47</sup>Carlyle A. Thayer, "ASEAN: From Constructive Engagement to Flexible Intervention," *Harvard Asia Pacific Review* 3, no. 2 (1999): 68-69.

<sup>48</sup>See, for example, David M. Jones and Michael Smith, *ASEAN and East Asian International Relations: Regional Delusion* (Northampton, MA: Edward Elgar, 2006).

<sup>49</sup>Simon Tay, *The Future of ASEAN: An Assessment of Democracy, Economies and Institutions in Southeast Asia* (2001 [cited 18 June 2002]); available from <http://www.cdi.anu.edu.au/downloads/ASEAN.pdf>.

<sup>50</sup>Kusuma Snitwongse, "Thirty Years of ASEAN: Achievements through Political Co-operation," *The Pacific Review* 11, no. 2 (1998): 185.



normative values of the region.<sup>51</sup> In truth, however, it was economic growth and 'performance legitimacy' that was the means (rather than the end) upon which state and transnational security had been grounded.

In addition to the other normative and procedural behaviors that constitute the ASEAN way (such as consensualism, national resilience, quiet diplomacy and gradualism), the principle of non-interference has rendered ASEAN an anti-institutional and thereby anti-integrational force within Southeast Asia. These norms have exacerbated differences in mutual threat perceptions and national interests which have in turn weakened any sense of a collective identity at the elite level. A consequence of this has been the inability of ASEAN to implement, in any *substantive* way, preventative diplomacy and/or conflict resolution procedures.<sup>52</sup> These measures are necessary to manage and offset any escalation of conflict that could develop within the region.

<sup>51</sup>Tay, *The Future of ASEAN: An Assessment of Democracy, Economies and Institutions in Southeast Asia* ([cited]. Interview by Author with Rodney Tasker, Senior Writer – FEER (Bangkok), 18 December 2001.

<sup>52</sup>There are however two limited exceptions to this: the 'ASEAN Troika' and the 'High Council'. Since both initiatives incorporate the principles of non-interference and consensus they have no binding authority and no mandate to be initiated unless all parties to a given dispute agree. Sheldon W. Simon, "Southeast Asia," in *Strategic Asia 2001-02: Power and Purpose*, ed. Richard J. Ellings and Aaron L. Friedberg (Washington: The National Bureau of Asian Research, 2002), 283.

The various structural faults that are implicit in the ASEAN way were also evidenced by ASEAN's inability to mitigate the damaging effects of the Southeast Asian economic crisis in 1997, and its failure in obtaining consensus and solidarity during and in the aftermath of the crisis.<sup>53</sup> Therefore, the security architecture of Southeast Asia is characterized by a grouping of states who maintain diverging interests and foreign policies with little security integration and cooperation. While the sum-total of the above normative and ideational constraints acted against Indonesia's draft Plan of Action, the ASEAN way, perversely, seeks to avoid a loss of face between the regional elites and it appears that the avoidance of a loss of face was a major reason for why all the members of ASEAN signed onto the Bali II Concord in the first place.<sup>54</sup>

## DOMESTIC INSTABILITY AND THE CONTINUATION OF CONFLICT INITIATORS IN SOUTHEAST ASIA

Given the normative constraints within ASEAN, it is unsurprising that the organization has had little success in

<sup>53</sup>Orla Ryan, *Asia Still Scarred by Crisis* (BBC News, 2002 [cited 3 July 2002]); available from [http://news.bbc.co.uk/hi/english/business/newsid\\_2077000/2077575.stm](http://news.bbc.co.uk/hi/english/business/newsid_2077000/2077575.stm). Ian Stewart, *Slow Response to Crisis Dictated by 'ASEAN Way'* (The South China Morning Post Internet Edition, 2002 [cited 8 July 2002]); available from <http://202.64.82.162/daga/dd/d0999t1/t110.htm>. M. Wesley, "The Asian Crisis and the Adequacy of Regional Institutions," *Contemporary Southeast Asia* 21, no. 1 (1999): 54-74.

<sup>54</sup>Interview by Author with ASEAN Secretariat (Jakarta), 20 April 2006.

managing or assisting to resolve domestic instability (e.g., Myanmar) together with the various conflict initiators already existent in Southeast Asia.<sup>55</sup> For example, as recently as May 2002, the Thai army fired shells at the Myanmarese army (the *Tatmadaw*) when elements of it (together with the United Wa State Army) crossed into Thailand's territory while in battle against the Shan State Army.<sup>56</sup> Sonny Mahinder, a spokesman for the *All Burma Student's Democratic Front*, argues that this type of conflict would continue to erupt until 'democratic' rule has been established in Myanmar.<sup>57</sup>

Not only does structural instability and an absence of stable democracy negatively impact on the security architecture of Southeast Asia, but regional disparities in political systems throughout the region also presents a fundamental challenge to the ability of ASEAN to construct a region wide collective identity at the elite level—e.g. the socio-cultural pillar of the ASEAN security community. Simultaneously, a paradox emerges where these disparities explain the need for continuing, to a

degree, with an adherence to ASEAN's operative norms—such as the principle of non-interference—should ASEAN wish to maintain a sense of coherence at the organizational level.

Meanwhile, competing nationalisms and political systems, together with various divides between ethnicity and religion, have affected bilateral and multi-lateral relations in Southeast Asia more generally, as has been seen with the troubled bilateral relations between Thailand and Cambodia (e.g., the destruction of Thailand's embassy by protestors) and between Thailand and Malaysia (as a consequence of ethnic and religious violence in Thailand's southern provinces).<sup>58</sup> Likewise, the relations between Malaysia and Singapore have at times been tense and Singapore has retained its policies of total and forward defence.<sup>59</sup> At their center is the deterrence of Malaysia through a five pronged approach that embraces psychological defence, social defence, civil defence and military defence.<sup>60</sup> Tim Huxley contends that under the forward defence

<sup>55</sup>David M. Jones and Michael Smith, "The Changing Security Agenda in Southeast Asia: Globalization, New Terror, and the Delusions of Regionalism," *Studies in Conflict and Terrorism* 24 (2001): 272.

<sup>56</sup>Aung Hla Tun, *Myanmar Says Thailand Dishonest on Border Fighting* (The Karen Organisation, 2002 [cited 18 October 2003]); available from <http://www.karen.org/news/wwwboard/messages/1567.html>.

<sup>57</sup> *Thailand, Myanmar Fail to Agree on Troop Withdrawals* (Suaramerdeka, 2001 [cited 28 May 2002]); available from <http://www.suaramerdeka.com/harian/0102/17/eng1.htm>.

<sup>58</sup>Interview by Author with Major-General Supaluck, Bangkok, February 2006.

<sup>59</sup>For a detailed examination of the historical political, ethnic and religious factors that have contributed to these strained relations see: N. Ganesan, *Bilateral Tensions in Post-Cold War ASEAN*, *Pacific Strategic Papers* (Singapore: Institute of Southeast Asia Studies, 1999), Tim Huxley, "Singapore and Malaysia: A Precarious Balance," *Pacific Review* 4, no. 3 (1991), Andrew Tan, "Intra-ASEAN Tensions," (London: Royal Institute of International Affairs, 2000).

<sup>60</sup>*Singapore Fact Sheet Series: Defence* [Internet] (MITA Publications, Singapore Government, 2002 [cited 26 August 2002]); available from <http://www.mita.gov.sg/bksdfc.htm>.



Table 1: Bilateral Disputes in Southeast Asia<sup>62</sup>

Disputant 1	Disputant 2	Dispute (Conflict Initiators)
Malaysia	Singapore	Pedra Blanca Island/Pulau Batu Putih, maritime boundaries including Singapore's land reclamation projects
Indonesia	Malaysia	Ambalat oil block, Sulawesi/Celebes Sea
Malaysia	Brunei	Territorial and Maritime Boundaries
Malaysia	Philippines	Sabah
Vietnam	Cambodia	Territorial and Maritime Boundaries
Myanmar	Thailand	Territorial Boundaries
Thailand	Laos	Territorial Boundaries
Thailand	Cambodia	Territorial Boundaries

policy, and in the event of war with Malaysia, Singapore would aim to both disable the Malaysian armed forces in a 'brutal and fearless pre-emptive strike' and secure the water supply in the Southern state of Johor.<sup>61</sup>

As a consequence of the various ideational and political disparities in Southeast Asia, together with various institutional weaknesses in ASEAN, the territorial and maritime boundary disputes listed in Table 1 have remained unresolved. Malaysian strategist and Director-General of ISIS Malaysia, Jawhar Bin Hassan, argues that these territorial disputes represent the greatest remaining

constraint on security and community building in the region.<sup>63</sup> Furthermore, the possibility of ASEAN reaching dependable expectations of peaceful change by 2020 seems remote because, and as Andrew Tan suggests, until these disputes are resolved intraregional conflict cannot be ruled out.<sup>64</sup> Other potential conflict initiators include the uneven distribution of resources, such as water (Mekong Delta) and oil (Brunei, East Timor and the South China Sea sub-region). In the pursuit of regime power, performance legitimacy and economic growth,<sup>65</sup> the desirability of these resources will continue to increase.<sup>66</sup> The security dilemmas and balance of power politics

<sup>61</sup>Huxley, "Singapore and Malaysia: A Precarious Balance," 204.

<sup>62</sup>*Cia World Fact Book* [Internet] (US Central Intelligence Agency, 2002 [cited 26 June 2002]); available from <http://www.cia.gov/cia/publications/factbook/>. On a positive note, in late 2002 Indonesia and Malaysia resolved their dispute over the Sipadan and Ligitan Islands via the arbitration of the International Court of Justice. This represents a new precedent for the region. *Philippines Cries 'Unfair' over ICJ Dispute Ruling* [Internet] (Agence France-Presse, 2002 [cited 8 May 2002]); available from [http://www.inq7.net/brk/2001/oct/25/text/brkpol\\_26-1-p.htm](http://www.inq7.net/brk/2001/oct/25/text/brkpol_26-1-p.htm).

<sup>63</sup>Interview by Author with Dato Mohamed Jawhar, *ISIS Malaysia* (Kuala Lumpur), 13 December 2001.

<sup>64</sup>Interview by Author with Andrew Tan, *IDSS* (Singapore), 5 December 2001. See also: Constance See, Constance See, *ASEAN Is Floundering* (Center for Defence Information, 2000 [cited 9 September 2001]); available from <http://www.cdi.org/asia/fa120100.html>.

<sup>65</sup>Amitav Acharya, "Transnational Production and Security: Southeast Asia's 'Growth Triangles'," *Contemporary Southeast Asia* 17, no. 12 (1995).

<sup>66</sup>Wilfred A. Herrmann, *Asia's Security Challenges* (New York: Nova Science Publishers, 1998), 34.



involved in these resource considerations, together with the risk of conflict, are most evident in relation to various maritime disputes including the Sulawesi Sea and the South China Sea sub-region.<sup>67</sup>

### The Sulawesi Sea and the South China Sea

In March 2005, and in the wake of ASEAN's declaration to become a Security Community, tensions pertaining to the maritime boundaries between Malaysia and Indonesia vis-à-vis the Ambalat offshore oil block (in the Sulawesi/Celebes sea) came to a head. On 3 March 2005 Indonesian President, Susilo Bambang Yudhono, ordered his military to secure Indonesian sovereignty over the disputed area. The gunboat diplomacy that ensued—including seven naval vessels and four F-16 fighter jets from Indonesia against two naval vessels by Malaysia—put to risk the possibility of armed conflict between the two countries.<sup>68</sup> Meanwhile, Taiwan and

the People's Republic of China (PRC) as well as the ASEAN members of Vietnam, the Philippines, Brunei and Malaysia are claimants to either all or parts of the islands, reefs, waters and shoals within the South China Sea.<sup>69</sup> Skirmishes have occurred between the Philippines and Vietnam (1998 and 1999) and between Taiwan and Vietnam (1995). Larger scale confrontations have taken place between China and Vietnam (1974, 1988, 1992 and 1994) as well as China and the Philippines (1995, 1996, 1997 and 1999).<sup>70</sup> The bloodiest military conflict over the islands occurred between the PRC and Vietnam in 1988 when Chinese and Vietnamese forces clashed at Johnson Island. During the hostilities, the Vietnamese lost two ships and over seventy crewmen.<sup>71</sup>

In an attempt to repress any continued escalation of armed conflict, ASEAN issued the 1992 *ASEAN Declaration on the South China Sea*.<sup>72</sup> However, China refused to become a signatory and during the

<sup>67</sup> The South China Sea sub-region contains a rich combination of fertile fishing beds, natural gas, oil and minerals. Over five million tons of fish are extracted from the area each year (twenty-five percent of the protein needs of Southeast Asia's 500 million people). Further, it is estimated that there are between one billion and 200 billion barrels of oil in the area. The area is also the hub for large volumes of mercantile traffic (41,000 ships per annum) which pass to and from Japan, Taiwan and the People's Republic of China. Rundle, *Regional Security Issues Southeast Asia* ([cited), See, *ASEAN Is Floundering* ([cited).

<sup>68</sup> Bill Guerin, *Sulawesi Sea Row Dredges up Defenses* (Asia Times, 2005 [cited 4 October 2006]); available from [www.atimes.com](http://www.atimes.com), Clive Schofield and Ian Storey, "Energy Security and Southeast Asia: The Impact on Maritime Boundary and Territorial Disputes," *Harvard Asia Quarterly* 9, no. 4 (2005): 36.

<sup>69</sup> Amitav Acharya, "A New Regional Order in South-East Asia: ASEAN in the Post-Cold War Era," (London: The International Institute for Strategic Studies, 1993), 33-34.

<sup>70</sup> *South China Sea Table and Maps* (Energy Information Administration, March 2002 [cited 28 August 2002]); available from <http://www.eie.doe.gov/cabs/schinatab.html>.

<sup>71</sup> Dana R Dillon, *Contemporary Security Challenges in Southeast Asia* [Dow Jones Interactive Database] (Parameters, 2002 [cited 28 April 2002]); available from <http://ptg.djnr.com>.

<sup>72</sup> ASEAN Website, available from [www.ASEANsec.org](http://www.ASEANsec.org). See also: *The Changing Asian Political-Military Environment: Southeast Asia* [Report] (RAND, [cited 14 June 2003]); available from [www.rand.org/publications/MR/MR1315.ch2.pdf](http://www.rand.org/publications/MR/MR1315.ch2.pdf).



same year, the Chinese National People's Congress passed the *Law of the Territorial Sea and Contiguous Zone*. This reflected a hardline position asserting exclusive sovereignty over all of the Paracel and Spratly Islands.<sup>73</sup> Consequently, the ASEAN declaration became almost meaningless and the PRC occupied Mischief reef in 1995. However, and in response, ASEAN was able to gather sufficient consensus and censured the PRC over the occupation.

In spite of the united front garnered by ASEAN, a year later the Philippine navy was allegedly subjected to a ninety minute firefight with three Chinese naval vessels.<sup>74</sup> Thereafter, a growing sense of disunity developed amongst the ASEAN claimants over negotiations for a Code of Conduct. By 2002 negotiations had stalemated and the claimants instead signed a non-binding communiqué known as the Declaration on the Conduct of Parties in the South China Sea.<sup>75</sup> In August 2003

<sup>73</sup>Lieutenant Michael Studeman, *Calculating China's Advances in the South China Sea: Identifying the Triggers of Expansionism* (NWC Review, 1998 [cited 21 October 2002]); available from <http://www.nwc.navy.mil/press/Review/1998/spring/art5-sp8.htm>.

<sup>74</sup>Christopher Roberts, *China and the South China Sea: What Happened to ASEAN's Solidarity?* (Institute of Defence and Strategic Studies, 2005 [cited 2005 26 April]); available from <http://www.ntu.edu.sg/idss/>.

<sup>75</sup>As regional analyst Barry Wain states, 'disunity developed on the ASEAN side between Vietnam and Malaysia ... In the end you had the sad spectacle of China, which initially rejected the ASEAN approach to a code of conduct, being more enthusiastic about the final declaration than the ASEAN side'. Email Correspondence with Barry Wain, ISEAS (Singapore), 22 March 2005.

China forged a deal with the Philippines (to which Vietnam reluctantly joined later) for petroleum exploration in the area. The lack of solidarity that resulted in this bilateral, and later trilateral approach, has left other claimants, such as Malaysia, out in the cold.<sup>76</sup>

### China's Increased Hegemony

In relation to exogenous issues affecting the security community proposal, China's increased hegemony throughout Southeast Asia is also a concern. Amidst China's almost uninterrupted economic growth, averaging close to nine percent per annum, China was able to increase its military expenditure by 155% between 1990 and 1999.<sup>77</sup> These increases, combined with the type of weaponry and armaments that China has acquired, have evidenced an apparent intention to obtain blue water naval capacity.<sup>78</sup> While the actions of China do not necessarily prohibit dependable expectations of peaceful change in Southeast Asia (as it is an actor exogenous to the grouping), China has mustered the potential to splinter any sense of collective identity in elite level strategic relations. China's 'ping-pong diplomacy' and stated territorial ambi-

<sup>76</sup>Roberts, *China and the South China Sea: What Happened to ASEAN's Solidarity?* (cited).

<sup>77</sup>China's annual averages for its 'Defence Budget' increases were 7.11 percent during this period. Statistics based on raw data supplied by the NBR Strategic Asia Database, located at <http://strategicasia.nbr.org/>

<sup>78</sup>Alexandr Nemets, *Situation over Taiwan Very Tense - Again* (News Max.Com, 2002 [cited 4 September 2002]); available from <http://www.newsmax.com/archives/articles/2002/8/20/173108.shtml>.



tions<sup>79</sup> should have highlighted the need for a common understanding and foreign policy vis-à-vis Southeast Asia's relations with China. However, and to the contrary, the past few years have witnessed a scattered and divided policy response.

Vietnam, for example, only agreed to the earlier mentioned joint exploration with China and the Philippines of parts of the South China Sea because it felt it could no longer expect solidarity and support from ASEAN. However, the inability of ASEAN to maintain unity on the issue in the face of Chinese bilateral diplomacy has left Malaysia out in the cold.<sup>80</sup> Meanwhile, Vietnam had already started to hedge its bets by improving its relations with both India and the US and at one point there was even talk in the press of the possibility of it granting permission to allow US Navy ships into Vietnamese waters.<sup>81</sup> By contrast, both Thailand and the Philippines have recently entered into various agreements to increase military and economic cooperation with China.<sup>82</sup>

<sup>79</sup>Shee Poon Kim, "The South China Sea in China's Strategic Thinking," *Contemporary Southeast Asia* 19, no. 4 (1998): p.360. Angel Rabasa, Richard Sokolsky, and C.R. Neu, *The Role of Southeast Asia in U.S. Strategy Towards China* (RAND, 2000 [cited 4 July 2002]); available from <http://www.rand.org/publications/MR/MR1170/>.

<sup>80</sup>Roberts, *China and the South China Sea: What Happened to ASEAN's Solidarity?* (cited).

<sup>81</sup>Esther Schrader, *U.S. To Realign Troops in Southeast Asia* (LATimes, 2003 [cited 1 June 2003]); available from <http://www.latimes.com>.

<sup>82</sup>Joint Statement of the Kingdom of Thailand and the People's Republic of China on a Plan of Action for the 21st Century (Thai Embassy Washington DC, 1999 [cited 11 September 2002]); available from <http://www.thaiembdc>.

## Terrorism and Insurgency

The political, military and strategic realignments taking place in Southeast Asia are not only a consequence of increased Chinese hegemony *inter alia*, but have also been an outcome of terrorism and its effect on global security. For Southeast Asia, terrorism is a transnational force that has the potential to detrimentally affect the region's strategic security environment. For example, the bipolar divisions being created by the Bush administration's 'with-us or against-us' approach have not been seen since the pinnacle of the Cold War era—e.g., contrast the strong alignment of Singapore with the US and Thailand's hardline approach in Muslims in its southern provinces to societal perceptions in Malaysia and Indonesia. In a recent survey, for example, 39% of Malaysian's chose the word 'hate' to describe their feelings towards the US and 83.5% expressed negative attitude towards America.<sup>83</sup>

Furthermore, had the planned bombing of various US and allied interests in Singapore transpired<sup>84</sup> then such an event

[org/pressctr/pr/jtthsch99.htm](http://org/pressctr/pr/jtthsch99.htm), Roberts, *China and the South China Sea: What Happened to ASEAN's Solidarity?* (cited).

<sup>83</sup>Carolyn Hong, "Muslims First, Malaysians Second," *The Straits Times*, 21 August 2006.

<sup>84</sup>Address by Senior Minister Lee Kuan Yew at the 1st International Institute for Strategic Studies Asia Security Conference on Friday, 31 May 2002 at Shangrila Hotel [Email] (Mita News, 2002 [cited 1 June 2002]), David M. Jones and Michael Smith, *The Strange Death of the ASEAN Way* (Australian Financial Review, 2002 [cited 8 July 2002]); available from <http://www.singapore-window.org/sw02/020412a5.htm>.



could potentially have panned out negatively in terms inter-community relations and, subsequently, inter-state relations. While the Bali bombing removed any doubt about the urgency in dealing with terrorist organizations and their cells within Southeast Asia, their occurrence (together with SARS) has also detrimentally impacted on the economies of Southeast in terms of investor confidence and tourism.<sup>85</sup> In the case of Indonesia, and until October 2002, tourism in Bali accounted for 40% of Indonesia's tourist earnings and directly employed 40% of its population.<sup>86</sup> By January 2003, tourism in Bali had dropped by close to 50% compared with the same month in 2002.<sup>87</sup> Reduced economic performance also reduces the resources that can be utilized by Southeast Asia's governments (such as the Republic of Indonesia) to maintain domestic security.

Moreover, poor domestic security, high unemployment and low standards of living, all contribute to the appeal of radical terrorist ideology. Heightened problems of terrorism and insurgency, and the ethnic violence to ensue,<sup>88</sup> add to this vi-

cious cycle and further marginalize the ability of a given state to look beyond its borders and implement initiatives for heightened regional cooperation, security and economic development. Therefore, until various Southeast Asian countries, like Indonesia, achieve an adequate level of economic development and domestic security, there will remain a degree of uncertainty over the long-term strategic security architecture of Southeast Asia.

### Recent Developments – A Twinkling of Hope?

The various issues raised by this study may paint a grim picture of Southeast Asia. Nonetheless, and in addition to the Security Community proposal, there have been a number of developments in recent times that offer hope as far as the possibility of comprehensive integration is concerned. In relation to instability and human rights abuses in Myanmar, between 2002 and 2005 ASEAN shifted away from a strict adherence to the non-interference principle and flexible engagement towards a more hardline position evincing a greater willingness to publicly apply diplomatic pressure on the government of Myanmar.<sup>89</sup>

<sup>85</sup>Asian Development Outlook 2003 Update (Asia Development Bank, 2003 [cited 23 September 2006]); available from [www.adb.org](http://www.adb.org).

<sup>86</sup>Stephen Sherlock, "The Bali Bombing: What It Means for Indonesia," (Canberra: Department of the Parliamentary Library, 2002), 11.

<sup>87</sup>Edwin Mooibroek, *Tourists Still Shun Bali* (Radio Netherlands, 2003 [cited 1 June 2003]); available from <http://www.rnw.nl/hotspots/html/bal030411.html>.

<sup>88</sup>Such as between the Christians and Muslims in Central Sulawesi. "Indonesia: Violence and Radical Muslims," (Jakarta: International Crisis Group, 2001), 10.

<sup>89</sup>For example, see: ASEAN, *Joint Communiqué of the 36th ASEAN Ministerial Meeting* (Phnom Penh, 16-17 June, 2003 [cited 18 October 2005]); available from [www.ASEAN-sec.org/14833.htm](http://www.ASEAN-sec.org/14833.htm). In relation to the Chairmanship issue, Thailand's foreign minister, Kantathi Supamongkhon, stated 'we have impressed upon Myanmar the concerns of the international community'. *Philippines May yet Assume 2006 Chairmanship of ASEAN* [Electronic Database - Factiva] (Asia Pulse, 2005 [cited 5 May 2005]); available from [www.factiva.com](http://www.factiva.com).

While ASEAN no longer maintains a united front on the issue, its temporary readiness and ability to take a firmer stance in its relations with Myanmar (e.g. the chairmanship issue) is not just indicative of the continued consolidation of democracy in some of the member states (such as the Philippines, Malaysia, Indonesia, and until recently, Thailand) but is also indicative of the greater role that civil society has played in the lobbying of regional governments on the issue.

While the recent coup in Thailand was unfortunate, there is little reason to believe that the Kingdom of Thailand will not overcome the challenge of returning to some kind of democracy—and perhaps a more stable democracy incorporating stronger checks-and-balances—in the near future.<sup>90</sup> Meanwhile, in carrying out the task of security community building, ASEAN has also embarked on the drafting of a charter that will provide the grouping with a 'legal identity', a stronger voice in the United Nations and, potentially, a more institutionalized framework that, as Malaysian Prime Minister Badawi asserted, will provide direction on 'what [model] the grouping want to become'.<sup>91</sup> If successful, and in the event that the region's return to relatively strong economic growth and development continues, then there is the

hope that ASEAN's operative norms will continue to evolve in tangent with political reform in the more progressive member-states. The greater sense of economic and political stability to ensue from these developments may, in turn, act to socialize the more conservative and authoritarian members to follow suit in the future.

## RETROSPECT AND PROSPECTS

This brief case study has outlined how the principle of non-interference has impeded the institutionalization of mechanisms and procedures necessary to resolve the various disputes (conflict initiators) existent in Southeast Asia. Further, actual armed conflict (albeit on a limited scale) has taken place as recently as May 2002. Since that time, very little at the regional or global levels has occurred to reduce the risk of armed conflict (e.g. the Sulawesi Sea incident). While large scale conflict may not be immediately anticipated, various Asian states (e.g. Singapore and Malaysia) continue to prepare their armed forces for such a possibility should circumstances change and interstate relations deteriorate.

Terrorism, along with how various governments have responded to it, has already added to the divisions within certain ethnic and religious communities in Southeast Asia. Indeed, the policies of actors exogenous to the region (such as China), in conjunction with terrorism, have further exacerbated a region wide diversity in elite-level ideology and foreign policy outlook. This diversity is only paralleled by the miscellany in regime types and their respect for human rights, democracy and

<sup>90</sup>Todd Crowell, *Thailand's 'Pro-Democracy' Coup* (Real Clear Politics, 2006 [cited 4 October 2006]); available from [www.realclearpolitics.com](http://www.realclearpolitics.com), Seth Mydans, "Thailand Reinterprets the Rules of Democracy, Again," *The New York Times*, 21 September 2006.

<sup>91</sup>Roberts, *The 'ASEAN Charter': A Crossroads for the Region?* (cited).



universal freedoms. Under these circumstances, and in the absence of any entrenched political and economic integration, it is difficult to establish (or support) any claim that there exists the requisite levels of trust and policy convergence to reflect the existence of an elite-level collective identity.

On the basis of this brief analysis, any expectations of peaceful change within the region are at best transient in nature. Because of this, Southeast Asia should not be characterized as a nascent security community, but rather (and in the best case scenario), as some type of limited security regime. This characterization recognizes that while Southeast Asia has established many of the necessary security community 'triggering mechanisms', these triggering mechanisms are insufficiently imbedded, or insufficient in number, to create 'dependable' expectations of peaceful change. The case study also illustrated how the framework can be utilized to assess negative (anti-integrational) factors in the relationships that exist across, and between, the inter-state and trans-communal levels.

While security community frameworks may encompass certain idealistic *possibilities*, this does not mean that by necessity, they must be blinded from the *actual* realities of state and communal relations. To the contrary, security community frameworks provide the opportunity for a broader and deeper analysis of the relevant issues and their linkages. This means that modern security community frameworks have the potential to now, more than ever, bridge the gap between theory and reality

through a more accurate reflection of the interdependence that exists across and between communities, political ideologies, interstate relations and measures of integration.

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